

Subject: Working with Registered Providers

Cabinet Member: Cllr Gina Needs, Cabinet Member for Social Housing
Executive Director: Sarah Cary

Purpose of Report

1. For information.

Relevance to the Council Plan

2. The partnership arrangements outlined in this report seek to deliver on the commitment to ensure all residents, regardless of whether they are council tenants or housing association tenants, are provided with good homes in well-connected neighbourhoods and the creation or management of safe, healthy and confident communities.

Background

3. There are currently 39 stock owning Registered Providers (also known as Housing Associations) in the Borough with a total of 8566 homes. This represents 6.8% of the Boroughs housing stock in 2019.
4. In 2020, the Council set out an approach to establish a new way of working with Housing Associations (also known as Registered Providers) and a range of Affordable Housing Providers to maximise contributors towards the delivery of the Council's Good Growth Housing Strategy and contribution to housing supply delivery of 12,460 homes over the Local Plan period. Specifically, the intention of the Council to work with housing providers to make the most of their own land and assets in the Borough and to contribute to the delivery of more new homes delivered at pace.
5. A range of activities have taken place to build relationships with Housing Associations over the pandemic and the proposed arrangements will continue to be outcome focussed. These include:
 - a. **Intergenerational Design Competition** with Metropolitan Thames Valley Housing Association to support small and medium architectural practices to develop innovative products. This was a very successful initiative which brokered relationships across the sector and supported by the Mayor of London.
 - b. Proactive partnership during the pandemic through the **Homelessness Prevention Partnership Board**

- c. Delivering Shared Ownership at New Avenue through partnership working. There is a high demand for low cost affordable home ownership products on the new estate so the Council **brokered an arrangement** with the developer and the Housing Association to offer a different tenure which will help to meet a range of needs.
 - d. Unlocking obstacles or issues identified through the **planning process** and working collaboratively to unlock homes.
 - e. Soft engagement throughout pandemic to identify impacts to delivery and **promote new opportunities** either Council-led or third-party land ownership.
 - f. **Consultation on council policy** – for example on Resident Engagement and Tenancy Strategy
6. To continue to establish a strong collaboration, the Council will seek to establish a *Charter for Delivering Better Housing Outcomes* and creating an Affordable Housing Developer Framework.
 7. We will also continue with regular engagement meetings and the suggested work plan for these in 2022/23 is attached

Enabling Development

8. Procurement commenced on the Affordable Housing Provider Framework, which is aligned to the needs of the Council, as enabler, developer and landowner. The Framework is split into three “Lots” for i) works ii) services and iii) Out of Borough management. In line with anti-competitive rules, the Council isn’t able to restrict the procurement to only Registered Providers but the scope of the framework is likely to be more attractive to an organisation which owns and manages social housing and is aligned to the objectives of the Council’s Council Plan. The Framework will be established later this year and will become a critical route to market for Council Housing delivery, Meridian Water and Joyce and Snell’s.
9. Additionally, to support new development, the Council proactively adapted its pre-application and planning service to ensure schemes which are grant dependent are prioritised and determined in timely fashion to ensure the borough is able to benefit from grant.

Skills and social mobility

10. There is substantial ongoing uncertainty as the UK and global economies emerge from the pandemic. Labour market and supply chain disruption are affecting the prices and availability of goods and services, with significant volatility in inflation. Access to skills is likely to remain a substantial issue for providers’ delivery of development programmes, major repairs and maintenance, health and safety compliance, and key services to tenants. With the Skills Academy and wider skills and employment initiatives, there is an opportunity for the Council to collectively work with Housing Associations to manage emerging and longer-term labour, skills, and materials shortages, identifying opportunities and access to training and employment for people living in social housing.

Nominations

11. Under existing arrangements, the Council requires 100% nominations on social housing first lets delivered through the planning system. The allows for the Council to offer suitable accommodation to those on the Housing Register. Currently housing association nominations make up 21% of total lets although performance varies between organisations and is limited by new supply.
12. In 2020, we identified that there were insufficient lets being provided by housing associations to applicants on the Housing Needs Register. In response to this a monthly monitoring system was established. We now require housing associations to declare all of their lets and monitor this against the nominations we are offered on a monthly basis. This has helped to drive up the percentage of nominations we receive from some associations.

Main Considerations for the Panel

13. The overall supply of new homes has reduced over the past few years which has reduced overall churn of new lets for people on the housing register.
14. Traditionally Registered Providers acquire S106 affordable units to deliver their grant programme targets. However, there has been a decline in interest for S106 units in the borough due to increasing land value and build costs which means delivery of new social housing is impacted. In the absence of an affordable housing provider the developer's cashflow is limited and therefore pace of build slows down. The acquisition of S106 homes will become more challenging from March 2023 as the new GLA Affordable Homes Programme restricts grant funding to homes in addition to those achieved through the planning system. This is likely to significantly impact the local market and number of new lets available for the Council to allocate to under its Tenancy Strategy.
15. The Council is focussed on understanding the market issues better and has appointed a Housing Enabling team to engage landowners, Registered Providers and the planning service to establish better intelligence on the local market to help inform policy.
16. Key to delivering homes in the borough is the need for affordable housing grant which Registered Providers will need to secure on a programme basis similar to the Council's own arrangements with the GLA. There are currently 11 Registered Providers who have grant allocations and actively progressing schemes under the current Affordable Homes Programme (2016-2023) and we are working with them to accelerate through the planning system or during construction.
17. Much of providers' focus over the past year was inevitably dedicated to the COVID-19 pandemic. Providers had to respond to the unprecedented challenges they faced, reacting quickly to change operating models and develop new ways of working. However, the public health and economic outlook remains unclear, and providers continue to operate in an intensely uncertain environment.

18. The economic recovery to date remains fragile, with significant ongoing disruption to supply chains and the labour market resulting in high-cost inflation and ongoing shortages of materials and skills. Weaker operating margins and increased spending on existing stock due to remedial safety works, catch up on repairs, and energy efficiency improvements have seen the sector's interest cover deteriorate in latest forecasts which is likely to further impact on how existing Housing Associations in the borough operate.
19. The sector faces increased scrutiny as they respond to the government's Social Housing White Paper and sector delivers against evolving requirements from its zero-carbon commitments. Navigating sometimes competing demands for providers' resources will require some difficult trade-offs, and the Council will seek to better understand the local landscape to ensure all residents, regardless who their landlord is, feel safe and supported.
20. As the sector will become more reliant on debt, Registered Providers are likely to need to undertake substantial investment in existing stock over the next few years. The Council will work with Providers to establish evolving requirements from the review of Decent Homes Standard and the decarbonisation agenda.
21. Ensuring that tenants are safe in their homes is a fundamental responsibility of all social landlords. The Council will seek to use the Housing Management forums to understand Housing Association duties and responsibilities with regard to fire and building safety. Providers' ability to meet statutory health and safety requirements relies on holding good quality data about their tenants and their stock.
22. Demands for transparency in service delivery and accountability to tenants will increase and consultation on Tenant Satisfaction Measures by the Regulator for Social Housing has just ended.
23. The Council will look to establish a new way of working with Chief Executives for Housing Associations by creating a collaboration between the Chair of Boards, the Director for Housing and Regeneration and Cabinet members or ward councillors to enable more and better homes in the borough.

Conclusions

1. The Panel will note that the Housing Association market is changing but that the Council is committed to working with all residents across the Borough, regardless of who their Landlord is, and ensure residents are treated fairly, with respect and feel safe and secure in their homes. This can only be achieved if Housing Associations proactively work with the Council to deliver on that shared commitment and common goal.

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