

Decision maker: Cabinet Member for Housing

Subject: Housing Associations in Portsmouth

Date of decision 9th November 2010

Report by: Head of Community Housing & Regeneration

Wards affected: All

Key decision (over £250k): No

1. PURPOSE OF REPORT: to confirm how housing associations develop, own and manage residential accommodation in Portsmouth, the contribution that they have made and will continue to make to communities, and their future role in the regeneration of the city.

2. RECOMMENDATIONS:

It is recommended that the Cabinet Member for Housing:

- 1) Notes the number and variety of Housing Associations owning and managing homes in the city of Portsmouth
- 2) Recognises the contribution that Housing Associations make to the priorities of the city and their ongoing commitment to the community and resident's well-being
- 3) Confirms the current collaborative arrangements for working with Housing Associations and other registered providers developing affordable housing in the city.

3. REASONS FOR RECOMMENDATIONS

To re-affirm the role of Housing Associations in the city, recognising the contribution they make to the communities in Portsmouth.

4. BACKGROUND

The Local Strategic Partnership's 'Vision for Portsmouth' identifies 10 priorities for the city. Housing Associations contribute substantially towards the priority focused on the availability, affordability and quality of housing. However this is not the only priority that their activities support. These include help for vulnerable residents, regenerating the city and making the city a greener and cleaner place.

Housing Associations have made a substantial contribution to the well-being of communities and residents for many years and their continued investment and strong presence reflects their commitment to Portsmouth society.

Housing associations are non-profit making bodies providing housing or housing with support and other associated amenities or services. As such they are social enterprises.

Examples of their activity in Portsmouth are

- new build and refurbished accommodation for rent and low cost home ownership on sites such as those in the Admiralty Quarter and on John Pounds sites, Portsea,
- accommodation with support for those with a learning disability in the Fratton area,
- the day centre for older people at Brunel Court, Lake Road,
- support for residents groups such as those at Howard and Matapan Road, including provision of a community centre,
- the promotion of financial inclusion organisations, one of which is now the highly successful South Coast Moneyline.
- the recent development of commercial premises in Somerstown,
- the development of a co-operative
- and more recently work with a local church to modernise facilities to include new housing and a café in Landport.

From April 2010 all providers of social housing have had to be registered with the Tenant Services Authority (TSA) and this has led to the phrase "Registered Providers". Some Associations will be registered with the Charity Commission or Companies House or both.

As well as registered providers, there are other organisations that can receive public funds to develop affordable housing e.g. a small number of local authority vehicles and some private house builders.

In addition, not all Housing Associations are able to receive public funds as only a limited number have been selected as developing organisations by the Homes and Communities Agency. They have been chosen for their technical abilities and some have been approved to develop general affordable housing whilst others have been chosen to develop particular specialist schemes.

5. HOUSING ASSOCIATIONS IN PORTSMOUTH

Records show almost 40 Housing Associations are owning and managing over 5,000 properties in Portsmouth. This number of associations is relatively high when compared to other unitary authorities such as Southampton, Reading and Plymouth. The profile of associations of all Associations operating in the city is shown at Appendix one, but the major ones are as follows:

The **First Wessex Housing Group** incorporates Portsmouth Housing Association and the stock transfer association from Eastleigh Borough Council - Atlantic Housing Association.

This is the main association in the city with over 2,000 properties in management

Southern Housing Group which now includes the properties previously owned by James Butcher Housing Association and the **Radian Housing Group** which brings together Drum Housing Association and Swaythling Housing Society who own nearly 600 and 500 properties respectively.

Downland Housing Association (part of one of the largest associations in the country - Affinity Sutton) and **Guinness Hermitage** provide over 200 properties in the city.

There is then a group of 5 Associations with between 100 - 200 properties with the remaining Associations having less than 100 homes.

As well as providing general rented accommodation some specialise in the provision of housing for members of the older population whilst others provide housing with support or perhaps have developed as co-operatives.

The 5 largest stock holding Housing Associations are the ones that are currently our preferred partners in terms of developing new affordable homes, together with **HydeMartlet** being an additional Association that is actively developing at this time.

Stock is held by some associations on a national or regional basis whilst others have properties just in South East Hampshire or indeed just in particular parts of Portsmouth. For example, Affinity Sutton manage 55,000 properties across the country.

The 2 largest associations have offices in Portsmouth with another based in Havant and the other 3 with offices within 15 miles of the city. Others have more remote offices with a few associations having their closest office in Dorset. These will all manage their homes with peripetetic staff.

6. DEVELOPING NEW AFFORDABLE HOUSING

One of the primary purposes of Housing Associations is to provide new affordable housing. In the recent past, the city council has focussed its relationships on the 6 main housing associations highlighted in bold in paragraph 5 above. In the main it is these organisations that have produced the nearly 2,000 affordable homes for the city that the Council has been seeking over the past 6 years.

Capital investment in affordable housing in Portsmouth for the three years ending March 2010 totals £155 million with at least half (£80m) coming directly from the 6 partner Associations, and a few other specialist associations, sourced from their own funds and commercial loans. The balance of approximately £75m has come by attracting grant from predominantly the Homes & Communities Agency but also the Department of Health.

It is worth stating that even where affordable housing is delivered via a planning agreement (Section 106. Town & Country Planning Act 1990) there will still be a cost of that provision to the Association working with the developer. These costs will reflect the negotiation and agreement work undertaken to ensure that this affordable housing is built to sufficient space and quality standards to meet identified needs.

The city council has collaborated with these preferred partners, assessed as being amongst the top 50 association developers in the country, without formal agreement to develop and manage affordable housing in Portsmouth for a number of years.

The collaboration works to the following six principles:

- 1) Capacity to develop new homes - appropriate registrations are in place with, for example, the Homes & Communities Agency
- 2) Capacity to undertake development either immediately or in the near future
- 3) Acceptable level of governance, viability & effective management
- 4) Local focus – associations are expected to adopt a customer needs based service and have a local management base and to support residents and the neighbourhoods in which their homes are built for example, contributing to employment schemes, community development and anti-poverty initiatives
- 5) Commitment to co-operative partnership and open dialogue with local stakeholders including the local authority over the long term.
- 6) Evidence of intention to build to good design & quality standards.

In the context of the above principles it is recognised that different associations have different strengths. They have been involved in schemes with developers of open market housing, using planning agreements, but have also created schemes that are entirely affordable (although of mixed tenures).

During 2009/10 these 100% affordable schemes contributed over 85% of all new affordable housing developed. However, with affordable housing no longer developed in large estates, schemes tend to be of between 1 and 100 homes with recent exceptions being at Admiralty Quarter with nearly 150 affordable homes and Cumberland Gate where there are 200 amongst 3 Associations.

In this way affordable homes are now developed in a range of locations to meet the aspirations of those seeking affordable housing.

Latterly, the Community Housing & Regeneration Enabling team have been able to collaborate with colleagues in the city council's Housing Management Service to build council owned affordable homes once more on land held in the Housing Revenue Account as their schemes have gained the necessary financial and political support.

As stated, Portsmouth City Council does not have a formal partnership agreement with developing associations and meets with all the preferred partners on a 6 monthly basis and with individual associations monthly to discuss the schemes they are working on.

In managing the partners in this way and maintaining excellent working relations with colleagues in Housing Options, the Enabling team can ensure the assessed housing needs of the city are embedded into the housing developments that come forward and the commitment to the delivery of affordable housing can be assessed.

This system of collaboration is robust, works well and is respected by all the partners as a good way to do business in the city and amongst themselves.

Bidding against each other to obtain land or buildings to provide affordable housing means that the winning bidder will pay the higher price and consequently require a higher amount of public subsidy to deliver the scheme. To avoid this situation our co-operative approach means that the partner associations agree amongst themselves not to bid against each other with each of the partners developing a portfolio of schemes to suit their circumstances.

A good example of this collaboration has seen Associations developing homes on adjacent sites (as at Cumberland Gate, Fratton) and exercising greater co-operation in terms of management.

7 OTHER SERVICES

As described earlier, Housing Associations will usually manage their stock themselves and provide a range of housing related services within the city that contributes to the communities. This aspect of their work will need to be reviewed and enhanced given the sizeable reductions that are anticipated in public expenditure. The Cabinet Member may wish to discuss with Associations how these services will be provided and management of their estates is to be carried out in the future.

8 FUTURE WORKING

Although public subsidy will reduce in the short to medium term, Housing Associations will continue to provide affordable homes using innovative new financial models. They will continue to make an important contribution to localities across a whole spectrum of activities. It is important that they maintain high standards of customer satisfaction, delivering effective and efficient services

that are based on customer needs. As the government's new Localism agenda is rolled out, it will be important for them to look at new models of working, shared services and to align their resources with those of other public and private sector agencies to ensure that they are strategically focussed and maximised.

9. EQUALITY IMPACT ASSESSMENT

A full Equalities Impact Assessment on the availability of affordable housing is due to be completed on the Housing Register/nominations and enabling services in the Autumn 2010

10. CITY SOLICITOR'S COMMENTS

The City Solicitor has read the report and is satisfied that there are no legal implications which would prevent the recommendations being approved at this time.

11. HEAD OF FINANCE COMMENTS

There are no financial implications arising from this report as it does not recommend any change in current process or policy. However it should be noted that the services provided by Housing Associations make a material contribution to meeting housing need within the City which certainly has a material positive impact on a range of City Council budgets.

Signed by Alan Cufley
Head of Community Housing & Regeneration

The recommendations set out above were approved/ approved as amended/ deferred/ rejected by the Cabinet Member for Housing on 9 November 2010.

Signed by Councillor Steve Wylie

Background list of documents: S 100D of Local Government Act 1972

None