Please ask for:

Carly Grainger

Direct dial:

(023) 9254 5340

Fax:

(023) 9254 5587

E-mail:

carly.grainger@gosport.gov.uk

Tuesday 8<sup>th</sup> June 2010

## SUMMONS

**MEETING:** Housing Board

**DATE:** Wednesday 16<sup>th</sup> June 2010

**TIME:** 6.00pm

**PLACE:** Committee Room 1, Town Hall, Gosport

**Democratic Services contact:** Carly Grainger

LINDA EDWARDS BOROUGH SOLICITOR

## MEMBERS OF THE BOARD

Councillor Philpott (Chairman) Councillor Lane (Vice Chairman)

Councillor Carter, C K
Councillor Mrs Cully
Councillor Dickson
Councillor Edwards
Councillor Counci

The Mayor (Councillor Allen) (ex officio)
Chairman of Policy and Organisation Board (Councillor Hook) (ex-officio)

# **FIRE PRECAUTIONS**

(To be read from the Chair if members of the public are present)

In the event of the fire alarm (continuous ringing) or controlled evacuation alarm (intermittent ringing) sounding, please leave the room immediately.

Proceed downstairs by way of the main stairs or as directed by GBC staff, follow any of the emergency exit signs. People with disability or mobility issues please identify yourself to GBC staff who will assist in your evacuation of the building.

**Legal & Democratic Support Unit:** Linda Edwards – Borough Solicitor

Switchboard Telephone Number: (023) 9258 4242

Britdoc Number: DX136567 Gosport 2 Website: www.gosport.gov.uk

## **IMPORTANT NOTICE:**

 If you are in a wheelchair or have difficulty in walking and require access to the Committee Room on the First Floor of the Town Hall for this meeting, assistance can be provided by Town Hall staff on request

If you require any of the services detailed above please ring the Direct Line for the Democratic Services Officer listed on the Summons (first page).

## NOTE:

- i. Members are requested to note that if any member wishes to speak at the Board meeting then the Borough Solicitor is required to receive not less than 24 hours prior notice in writing or electronically and such notice shall indicate the agenda item or items on which the member wishes to speak.
- ii. Please note that mobile phones should be switched off for the duration of the meeting.

#### **PART A ITEMS**

#### APOLOGIES FOR NON-ATTENDANCE

## 2. DECLARATIONS OF INTEREST

All Members present are required to declare, at this point in the meeting or as soon as possible thereafter, any personal or personal and prejudicial interest in any item(s) being considered at this meeting.

- 3. MINUTES OF THE MEETING OF THE HOUSING BOARD HELD ON 3<sup>rd</sup> MARCH 2010 and 19<sup>th</sup> MAY 2010 *(copy herewith)*
- DEPUTATIONS STANDING ORDER 3.5

(NOTE: The Board is required to receive a deputation(s) on a matter which is before the meeting of the Board provided that notice of the intended deputation and its object shall have been received by the Borough Solicitor by 12 noon on Monday 14 June 2010. The total time for deputations in favour and against a proposal shall not exceed 10 minutes).

5. PUBLIC QUESTIONS - STANDING ORDER 3.6

(NOTE: The Board is required to allow a total of 15 minutes for questions from Members of the public on matters within the terms of reference of the Board provided that notice of such Question(s) shall have been submitted to the Borough Solicitor by 12 noon on Monday 14 June 2010).

 LEASE OF LAND AND BUILDING FOR 12<sup>TH</sup> GOSPORT SCOUTS, ST LUKES ROAD

To seek Board approval for the surrender and grant of a lease of land and building to include additional land at St Lukes Road to the 12<sup>th</sup> Gosport Scout Group on the terms given in the report.

PART II Contact Officer: Mark Pam X5563

7. MANAGEMENT OF A2 DOMINION PROPERTIES AT ROYAL CLARENCE YARD

To seek Housing Board approval to provide tenancy management services with A2 Dominion for social housing properties that are planned to be developed by Berkeley Homes at sites known as C1 and C2 at Royal Clarence Yard. PART II Contact Officer: Kim Carron X5372

8. HOUSING SERVICES MANAGER'S UPDATE OF THE HOUSING SUBSIDY REFORM

PART II Contact Officer: Kim Carron X5372

#### Presentation

## 9. ANY OTHER ITEMS

- which, in the opinion of the Chairman should be considered as a matter of urgency by reason of special circumstances.

## 10. EXCLUSION OF PUBLIC

To consider the following motion:

That in relation to the following items the public be excluded from the meeting, as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items there would be disclosure to them of exempt information within Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons set out.

# PART B ITEMS FOLLOWING THE EXCLUSION OF PRESS AND PUBLIC

Item	Paragraph no. of Part I of Schedule 12A of the Act	
11. MANAGEMENT OF	Paragraph 3	PART II
FRANKLIN ROAD (NO. 65- 151 ODDS)	Reason: The public interest is better served by not disclosing the financial details contained in this report as similar negotiations are underway with another RSL for the delivery of management services and the financial details in this report may have a negative impact on those negotiations	Contact Officer: Charles Harman X5287
12. SALE OF GARAGES	Paragraph 3 Reason: The public interest is better served by not disclosing the financial details contained within this report as release of such details may have a negative impact on future negotiations on the sales described in this report	PART II Contact Officer: Kim Carron X5372

#### AGENDA ITEM NO. 6

Board/Committee:	Housing Board
Date of Meeting:	16 June 2010
Title:	Lease of Land and Building for 12 <sup>th</sup> Gosport Scouts,
	St Lukes Road
Author:	Director of Planning Economic Development
Status:	For recommendation to Policy and Organisation
	Board

## **Purpose**

To seek Board approval for the surrender and grant of a lease of land and building to include additional land at St Lukes Road to the 12<sup>th</sup> Gosport Scout Group on the terms given below

## Recommendation

That the Board authorise the Head of Property Services to agree terms with 12<sup>th</sup> Gosport Scout Group to enter into a new lease for the use of the existing land and building plus additional land.

That the Borough Solicitor be authorised to enter into such documentation as is necessary to effect the above decision in consultation with the Head of Property Services.

That approval is sought from the Policy and Organisation Board to this recommendation

## 1 Background

- 1.1 The 12<sup>th</sup> Gosport Scout Group currently have a lease to occupy land and building known as Jubilee Hall at St Lukes Road (shown edged blue on the attached Plan 1). The lease is for a term of twenty-one years expiring on 8<sup>th</sup> October 2016 and the rent is £1 per annum.
- 1.2 The Scout Group have expressed an interest in leasing the additional land shown edged red on the attached Plan 1 as their existing site has very little open land. This was the site of St Lukes Hall, known more generally as the Allotment Holder's Hut, which was demolished in 2008 and is now a vacant plot

## 2 Report

2.1 In order to secure funding from internal sources, the Scout Group has requested an extension to their existing lease, which expires in just over six years. As they now wish to lease the additional land it is

- proposed to accept a surrender of the existing lease and to grant a new lease for the larger site. The lease will be for a period of 14 years at the same rent as before of £1 per annum
- 2.2 The new lease will be on the same terms as the current lease, principally to maintain the land in good condition, not to erect any structure without permission, not to do anything that would annoy or make nuisance to neighbours, to maintain fences and not to sublet whole or part.
- 2.3 The use of the land under the new lease will be for scouting activities.
- 2.4 The Scout Group plan to erect new fencing on the additional land in the location marked by the black dashed line on Plan 1. The fencing will be 2m high close boarded and does not require planning permission.
- 2.5 The new fencing will enclose a secure area for the Scout Group (shown 1) and an area for off-road parking (shown 2) on Plan 1. The off-road parking will be of benefit to the residents of St Lukes Road as it will take some cars off the highway when the building is in use.
- 2.6 The Lease will be granted pursuant to Section 32 of the Housing Act 1985 as the land in question is held by the Council for housing purposes. The Secretary of State has issued a number of General Consents to permit a Local Authority to dispose of such housing land, and the Lease in question here will fall within General Consent E3.2 which provides that, "A local authority may dispose of land for a consideration determined by the authority where...the land is to be used for a purpose, other than housing accommodation, which does not involve trading and is beneficial to persons, the majority of whom the authority expects to be inhabitants of the estate or neighbourhood in which he land is situated." It is confirmed that the majority of the Scout membership is drawn from the Forton vicinity and all bar one of the fifty plus membership is drawn from the Borough.
- 2.7 To comply with the Consent, the rent still has to be reasonable in the circumstances. The proposed new rent will remain at £1. This is considered to be acceptable as the group not only have limited resources but will provide a service to the local community as mentioned above. The Scout Group are a community group offering opportunities for young people. Supporting community groups and the voluntary sector form part of the Council's Community Strategy.
- 2.8 A permanent alternative use for the land has been investigated but owing to Environment Agency (EA) concerns on flooding, permanent structures would not be acceptable. This land therefore has no development potential.

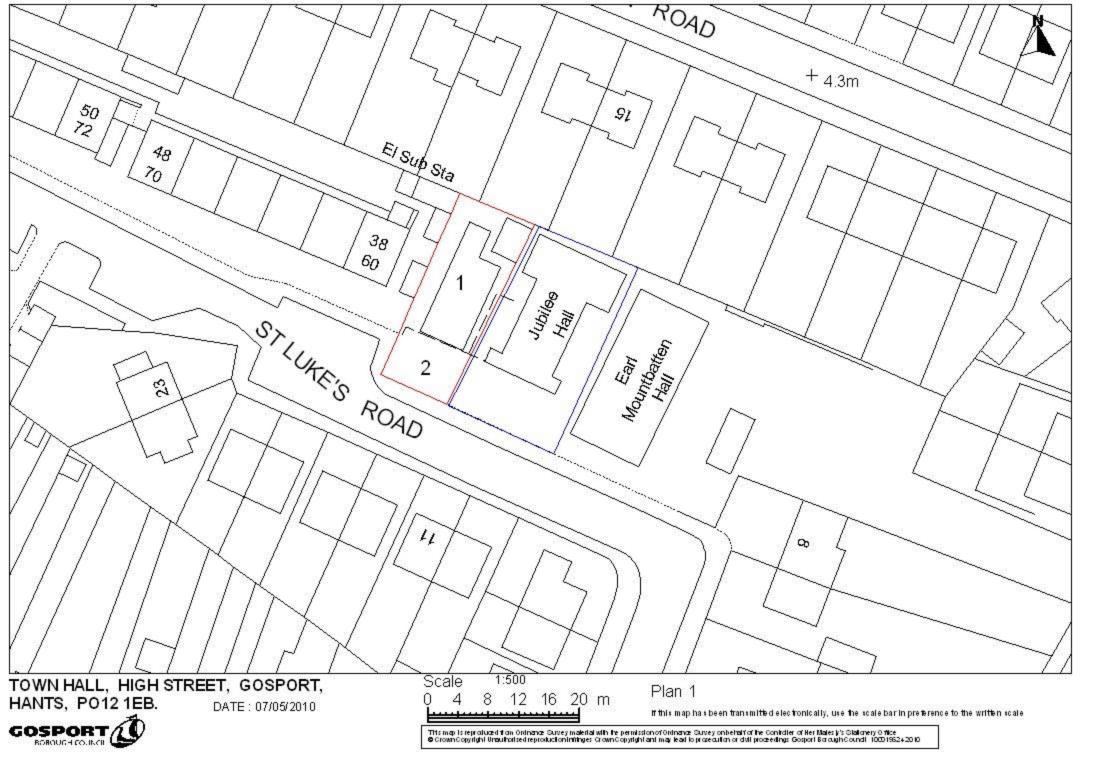
## 3 Risk Assessment

3.1 The additional land is untidy and overgrown, attracts dumping and anti-social behaviour. Failure to dispose of the land to the Scout Group will see it remain vacant and a continual source of local complaints requiring remedy by the Housing Unit and incurring the associated costs

# 4 Conclusion

4.1 The lease of the additional land will solve a problem of land management, improve the appearance of the plot and take a few cars off the road during the times the Scouts are using the facility. It will also save costs in maintenance and damage to existing council fences. The lease to a community group supports our aims in the Community Strategy. As the Scout Group will take on the responsibility to erect new fencing and maintain, there is no financial expense to be met by the Council

Financial Services comments:	Contained within the Report
Legal Services comments:	Contained within the Report.
Service Improvement Plan	None
implications:	
Corporate Plan:	None
Risk Assessment:	As above
Background papers:	None
Enclosures:	Plan 1
Report author/ Lead Officer:	Head of Property Services



#### **AGENDA ITEM NO. 7**

Board/Committee:	Housing Board	
Date of Meeting:	16 <sup>th</sup> June 2010	
Title:	Management of A2 Dominion Properties at Royal Clarence Yard	
Author:	Housing Services Manager/CH	
Status:	For Decision	

# **Purpose**

To seek Housing Board approval to provide tenancy management services with A2 Dominion for social housing properties that are planned to be developed by Berkeley Homes at sites known as C1 and C2 at Royal Clarence Yard.

### Recommendation

That Housing Board:

- Agree to the Council providing tenancy management services with A2 Dominion under a Management Agreement for blocks C1 and C2 Royal Clarence Yard
- ii) Authorise the Housing Services Manager in consultation with the Chairman of the Housing Board to finalise the services to be provided and the terms of the Management Agreement to be entered into for these services.

## 1.0 Background

- 1.1 Housing Services has already developed the expertise and has the processes and procedures in place to successfully manage Housing Association properties. This knowledge has been gained through a trial arrangement with Housing 21 relating to their properties at Franklin Road.
- 1.2 Berkeley's, the developer at Royal Clarence Yard (RCY), took the opportunity during recent difficult financial times to bid for Homes and Communities Agency (HCA) grant in the form of Kick Start funding, which was available for potentially stalled schemes. Berkeley's were successful in their bid with the HCA, gaining from that a large fund covering a portfolio of schemes in the South East.
- 1.3 Blocks C1/C2 were not originally planned to be delivered as affordable housing on site, but Berkeley's proposed to this Council that they deliver block C1/C2 as affordable housing working with one of this Council's Partner Registered Social Landlords to deliver all the units.
- 1.4 Block C1/ C2 comprises of 78 flats of both 1 and 2 bedrooms. Small changes were made to the original design to meet HCA standards. While the units will be delivered as affordable units, the rents will also have service charges added. There is little amenity space and parking is by paid permit only.
- 1.5 Negotiations continued between this Council's Housing Strategy Section and Berkeley Homes. The Housing Strategy Section agreed to forgo an expected commuted sum of

approximately £1.6 Million that would have eventually been due in lieu as an offsite contribution, on the basis that affordable housing was delivered on site. It is this Councils stated position that it will always wish to see affordable housing delivered on site and will only consider acceptance of a commuted sums where this is not possible. There was no time frame laid down for an off site contribution to be paid.

- 1.6 Berkeley's agreed to enter into an agreement with A2 Dominion as a preferred partner RSL who already owned the waterfront Tower Blocks and the flats at Cooperage Green in RCY.
- 1.7 Towards the end of March 2010, the negotiations between A2 Dominion and Berkeley Homes were almost complete. However, A2 Dominion's Housing Management Team began expressing concern over the increased risks associated with the block design and density, lack of parking and the fact that the day to day management becomes more difficult with this type of design especially as they manage their properties in Gosport from outside the Borough.
- 1.8 From this, a suggestion was put forward that A2 Dominion purchased the completed block as agreed (building it out will take between 12 and 18 months and the units must be completed by March 2012) but that Gosport Borough Council's Housing Services Unit manage the units and control the lettings locally, instead of A2 Dominion.
- 1.9 This would enable A2 Dominion to mitigate their risk in terms of exposure to potential management problems but also it recognises two things, that the A2 Dominion local management base (Chichester) is too far away to closely manage a block like this and indicates that their performance locally will affect how they are judged by the new regulator the Tenant Services Authority (TSA).
- 1.10 In early April, the Housing Services Manager met with A2 Dominion's Operations Director and discussed the proposition. Further meetings have taken place and it has become clear that there are a few matters that require clarification, but that it would be beneficial to A2 Dominion to have the Council manage the properties and that the Council would be best placed to manage a development of this type in its Town Centre location.
- 1.11 In May 2010, the Government announced that that funding that had been allocated under the Kick Start programme (and other development programmes) was being held back pending the outcome of the Governments Budget on 22<sup>nd</sup> June 2010. The developer fully expects this funding to be released for this scheme at RCY following the Budget announcement. However, if that funding is not secured, then the Management Agreement would not be finalised as the developer would switch to building private rented or home ownership properties rather than social housing.
- 1.12 As soon as the confirmation is received by the developer that Kick Start funding is confirmed for this scheme they will want to enter into a contract with A2 Dominion. Of course A2 Dominion will not be in a position to sign up to any agreement if, at that time, this Board has not approved this arrangement. This highlights the pressure on A2 Dominion and Housing Services to seek early Board affirmation that there is approval for the Council to provide these services and enter into a Management Agreement subject to satisfactory terms and conditions being met.

1.13 The Council and A2 Dominion are currently finalising details of the services and terms for an agreement that should be completed within the next 2 months

# 2.0 Report

2.1 The development of a Management Agreement will be based on key elements which are outlined in this section of the report, and reflect the experience and approach of working with Housing 21.

# Management Agreement Overview

2.2 A range of services will be detailed in the Management Agreement and these are likely to include those listed below. These services will replace those that would have otherwise have been provided by A2 Dominion. The proposed management arrangements will not impact on the provision of services to Gosport Council tenants. A general principle within the Management Agreement will be that the Housing Service will be operating its own policies and procedures (as opposed to those of A2 Dominion). There will be fees and charges due from A2 Dominion (see 2.4 below) covering the Housing Service's costs in providing these services. The arrangement will be for 10 years, with the ability for the Council to assign its interest (effectively a break clause) after 5 years should the Council, for whatever reason not wish to continue with the arrangement. The length of commitment, while presenting certain limited risks (see 3.0), provides continuity of service for the residents.

## Management and Technical Services

- 2.3 The Management Agreement will cover a range of housing management and technical support services, including;
  - Anti-social Behaviour support, including linking with the Police and the (GBC) Community Safety Team
  - Resident Involvement work including resident satisfaction surveys
  - Full rent recovery procedures including liaison with Housing Benefits, arrears visits, court hearing and execution of warrants
  - New tenants; co-ordination, sign-up processes and introductory visits
  - Tenancy Management; mutual exchanges, tenant improvements, administration of disabled aids etc
  - Tenancy Support including referrals to outside support agencies and Social Services
  - Estate Warden weekly inspection regime (up to a maximum of 2 hours per week)
  - Choice Base lettings advertising and nominations to empty properties (fee payable)
  - Communal Cleaning services (on contract)
  - Reactive Repairs Service (currently provided by Connaught)
  - Gas servicing and Central heating repair & installations (via 1<sup>st</sup> Saxon/Kinetics)
  - Voids Service provided by Connaught (with inspections carried out by Housing surveyors and Gas checks (via 1<sup>st</sup> Saxon/Kinetics)
  - Major Improvements provided by Connaught and others (based on successful bids)
  - Management of the grounds maintenance contractor.

# Fees and Charges

2.4 The management fee will be calculated on actual or what is estimated will be actual costs; primarily staff time, staff on-costs and an apportionment of staffing support costs.

It is predicted that the work required will be undertaken by various Sections within Housing Services for example the Income Recovery Team, the Resident Involvement Team and the Tenancy Management Team. To offset this collective increase in workload, and to maximise the benefit of the management fee it is anticipated that additional tenancy management and administration support will be required. It is proposed that, in consultation with the Chair of Housing, a further report to Personnel Sub Board is submitted when the extent of the commitments within the arrangement become fully known.

There are likely to be additional fees and charges that will be levied for services to A2 Dominion on an ad hoc basis, as and when required, for the Councils costs associated with the management of the properties. These fees will cover areas such as:

Choice Based Lettings nominations	
Ad hoc surveying services	
Court Fees	
Legal Services costs	

# Payment Arrangements

2.5 The detail of the payment arrangements has yet to be agreed with A2 Dominion it is however anticipated that the management fee and cleaning costs will be paid monthly in arrears with the reactive repairs services (currently Connaught), central heating installations and repair as well as gas servicing (currently with 1<sup>st</sup> Saxon/Kinetics) costs are also likely be invoiced monthly in arrears with payment due with 28 days. Arrangements of this nature will not adversely affect cash flow within the Housing Revenue Account or General Fund.

All sums due which are not paid by the due date will (without prejudice to the rights of either party under the agreement) bear an interest from day-to-day at the annual rate of 4% over the base rate.

## Contract arrangements

2.6 This agreement will commence at the point that the units are handed over from the developer to A2 Dominion, with additional provision in the agreement for staged lettings at the commencement of the agreement (to allow suitable access by new tenants and for specific resident involvement initiatives to take place to enhance community cohesion of the new households). The developers are planning to have the units built out and handed over in the Spring of 2011.

Current negotiations indicate that A2 Dominion is looking for a 10 year Management Agreement. The break clauses for this agreement are still in development but are likely to include clauses to cover eventualities that may arise like termination by either party

forthwith (if the other party should be formally dissolved or cease operation); by signing a new agreement; by 14 days written notice upon the material and gross breach of obligations.

- 2.7 Officers have considered the DCLG (previously DETR) [2000] Guidance and in particular the need for such arrangements to achieve one or more of the following objectives:
  - improvement of the economic well-being of their area
  - the promotion or improvement of the social well-being of the area, and
  - the promotion or improvement of the environmental well-being of their area.
- 2.8 This type of accommodation (a mix of 1 and 2 bed properties) is in short supply within the social housing sector in Gosport and as such these properties represent as significant social housing resource locally. High density developments of this nature, have the potential to create management issues, particularly around anti-social behaviour, arrears of rent and high turnover of residents. It is believed that the Council is best suited to provide a local management presence; having extensive experience at managing such accommodation with local knowledge of the area and ability to readily access support services. Registered Social Landlords operating locally have recognised the potential management issues and are reluctant to engage with the development, leaving the Housing Service best placed to maximising the social cohesiveness of the RCY 2 proposal.

It is believed these arrangements will positively contribute to the economic well being as it is known that 20%-30% of all reactive repairs expenditure to Connaught is placed with local businesses. This type of social housing provision widens the choice of property available to local residents, supporting the social well-being of the area, while improving the quality of life for the tenants and will have a positive impact on other residents in the

#### 3.0 Risk Assessment

area.

3.1 There are potential risks to the Council associated with the management of this initiative:

## Professional;

Inefficient and/or ineffective management processes
Failure in the management of partnership working with A2 Dominion

### **Financial**

Failure to prioritise, allocate appropriate budgets and monitor Failure to identify accurate charges leading to financial loss 3<sup>rd</sup> party insurance liability
Failure of A2 Dominion to meet its financial obligations

## Legal

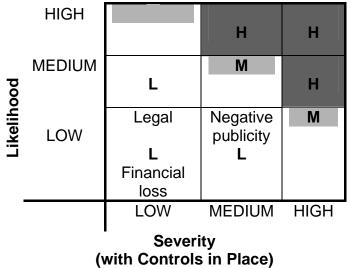
Legal Breach of confidentiality/Data Protection Acts requirements

#### **Image Management**

Negative publicity: (Local or public interest/National public or press aware)

3.2 The severity of those risks has been assessed as follows:

- a. Failure to meet legal/H&S/Data Protection requirements (Low): (Litigation or claim up to £100,000)
- b. Financial loss (Medium): (£25,000-£100,000)
- c. Negative publicity (Medium): (Local or public interest/National public or press aware).



3.3 The controls in place to mitigate risk will be as follows:

- Regular meetings and a consultation framework with A2 Dominion to ensure communication (Professional)
- Signing of a Management Agreement outlining obligations, including payment profiles, deadlines and additional charges for non payment (Professional and Financial)
- Regular (internal) budget meetings (Financial)
- Officer time recording in operation for charges (Financial)
- 3<sup>rd</sup> party insurance provision in place (Financial)
- Permissions sought from tenants for exchange of information (Legal)
- Exchange of information protocols (Legal)
- 3.4 Should the recommendations in this report be approved, then the overall likelihood of risks materialising (3.1) with controls in place, is assessed as **Low**.

# 4.0 Financial Implications

- 4.1 This proposal would generate income for the Council to cover costs associated with the provision of services to prospective A2 Dominion residents It is probable there will also be a positive impact on the Councils own unit costs and its repairs service operating costs; the latter because of the nature of the financial framework of its current partnership with Connaught Plc and 1<sup>st</sup> Saxon/Kinetic.
- 4.2 Financial risks associated with this initiative have been identified within the risk assessment and controls will be put in place to mitigate those risks (see 3.0 above).

## 5.0 Legal Considerations

- 5.1 Local Authorities have the power to do anything which they consider is likely to promote either the economic, social or environmental well-being of its area. This power was introduced by the Local Government Act 2000, Section 2. The Council therefore has a power to enter into the Management Agreement proposed by this report with A Dominion under Section 2 if, in this instance, it considers that it will promote the social, economic or the environmental, well-being of the Borough. It is considered by the Borough Solicitor that there is sufficient information provided in this report to support such a conclusion. There is also no conflicting legislation which would explicitly prohibit the proposed Management Agreement.
- 5.2 If the proposal in this report is approved by Members, the Council can be paid for providing the services outlined in this report, but it must be stressed that it cannot make a profit; all income received must be in return for the services provided and be on a cost-recovery basis only.

## 6.0 **Summary**

- 6.1 An innovative service has already been tried and tested through a trial arrangement providing a range of housing management and repairs services to Housing 21 tenants at Franklin Road. It has shown how locally based management and expertise can enhance the quality of life for residents. The Council and A2 Dominion will shortly be in a position to enter in to a Management Agreement for blocks C1/C2 at RCY. This densely populated block will require considerable local knowledge and accessible services to enable residents to enjoy a good quality of life and this can be provided by this Council managing those properties on behalf of A2 Dominion.
- 6.2 The Council will be able to re-coup its direct costs for its involvement in this initiative and will make some savings as a result of the impact on its own unit costs and its repairs service operating costs as a consequence of this agreement.
- 6.3 Arrangements of this nature between a Registered Social Landlord and a Council provide further experience and expertise that may open up wider opportunities for the Council in the future.

Financial Services comments:	The Council's costs associated with the management and maintenance of the properties concerned will be fully reimbursed by A2 Dominion as specified in the Management Agreement.
Legal Services comments:	See 5.0
Service Improvement Plan implications:	None
Corporate Plan:	None
Section 17 Crime & Disorder Act 1998	The density of these properties in relation to each other indicates that anti-social behaviour may well be associated with these properties and those around them. Improved resources, and in particular making use of the Council links with the Police and sensitive local lettings, is likely

	to enable a number of likely sources of anti- social behaviour to be kept to a minimum
Risk Assessment:	The risks associated with the options presented in this report are assessed as <b>low.</b> See 3.0
Background papers:	n/a
Appendices/Enclosures:	n/a
Report author/ Lead Officer:	Charles Harman