



REPORT OF:	HEAD OF PEOPLE & WELFARE
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TO	EXECUTIVE
DATE:	1 DECEMBER 2016
EXECUTIVE MEMBER:	COUNCILLOR RITA RENTON

KEY DECISION REQUIRED:	YES
WARD (S) AFFECTED:	ALL

SUBJECT:	STRATEGIC PARTNERSHIP WITH RAVEN HOUSING TRUST
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RECOMMENDATIONS:

- (i) That the Partnership Agreement between Reigate & Banstead Borough Council and Raven Housing Trust, attached at Annex 1, be adopted with effect from 1 January 2017;
- (ii) That the Head of Legal Services be delegated to enter into a deed of variation of the 2002 Transfer Agreement (and the subsequent variations and covenants arising from the Agreement) in order to give effect to the changes described in this report namely for the Council to cease its formal membership on the Raven Board.
- (iii) That the Executive Member with responsibility for Housing be given responsibility for ensuring the success of the Council's ongoing relationship with Raven Housing Trust.

REASONS FOR RECOMMENDATIONS:

The Council relies on Registered Providers (RPs), and in particular Raven Housing Trust, to meet the accommodation needs of people requiring affordable housing within the borough. Raven also provide a range of additional support services which, amongst other outcomes, help to prevent individuals and families from becoming homeless. This provides a significant benefit to the Council by reducing the costs associated with providing emergency accommodation to homeless residents.

The relationship between the Council and Raven Housing Trust is therefore vitally important. It has been recognised by both parties in the past that this relationship has scope for improvement, and discussions over past months have led to the development of a new Strategic Partnership Agreement to cover the period 2017 to 2022. This Agreement provides a strong framework setting out how the Council and Raven will work together and support each other to meet their respective corporate priorities. Each organisation has also made detailed commitments as to what they will contribute to the partnership.

As part of this Agreement, the Council will relinquish its right to be a member of the Trust and to nominate Councillors to the Board of Raven Housing Trust. This will pave the way for a more effective working arrangement. This has been a priority issue for Raven, and by

agreeing to this the Council has secured commitments in return from the Trust that will benefit the borough and our residents. The Partnership Agreement includes details of how Raven will involve both the Council and residents in its future work. The Portfolio Holder for Housing will act as the key link between organisations in future, ensuring that the relationship is working well and delivering on its commitments.

EXECUTIVE SUMMARY:

This report sets out the background to the Council's discussions with Raven Housing Trust, the borough's largest Registered Provider, about developing a new Partnership Agreement in order to have a more effective working relationship. It summarises the contents of the Agreement, and how it will be managed and reviewed going forwards.

The adoption of a new Partnership Agreement will secure a firmer commitment from Raven to help us to drive economic prosperity throughout the borough and with preventing and managing homelessness, which is a key pressure on the Council.

Executive has authority to approve recommendations (i) and (iii). Council has authority to approve recommendation (ii).

STATUTORY POWERS

1. The Council has wide ranging powers to promote the economic, environmental and social well-being of the Borough, including entering into any arrangements or agreements to co-operate, or facilitate or co-ordinate activities. These powers are derived from the Local Government Act 2000 and also include the powers of general competence under section 1 of the Localism Act 2011 to do anything that individuals with full capacity generally may do, subject to the provisions of the Act.
2. Many of the issues addressed in this report arise from existing contractual arrangements.

BACKGROUND

3. Reigate & Banstead Borough Council has no housing stock of its own; this was sold to Raven Housing Trust (originally Reigate & Banstead Housing Trust) via a Large Scale Voluntary Transfer (LSVT) arrangement in 2002. The purpose of that transfer was to ensure investment in the stock and that it continued to be fit for letting.
4. The Council has therefore relied since 2002 on Registered Providers (RPs), and in particular Raven, to meet the accommodation needs of people requiring affordable housing. Raven is the largest provider of affordable housing in the Borough, accounting for over 80% of all rented affordable housing.
5. The Borough is one of the most expensive, and least affordable, places to live in the country; there are over 1,000 households on the housing waiting & transfer lists; and every year around 800 households approach the Council as homeless, or seeking advice on their housing needs and options. The Council's working relationship with Raven Housing Trust is therefore of vital importance in meeting the needs of some of our most vulnerable residents.

6. Raven's housing stock makes up about 10% of all properties in the Borough, and as the majority of stock is concentrated in particular areas, in some communities Raven tenants make up a significant portion of the local residents.
7. Raven also have significant housing stock and land holdings, some of which they have acquired in Preston since the original transfer, which make them a very significant partner in three of the Council's Regeneration Areas (Merstham, Preston and Redhill). Raven are heavily invested in the borough and equally committed to the success of the partnership between themselves and the Council.
8. In acknowledgement of this mutual dependence, the Council and Raven have been working in partnership since 2002. Key aspects of this are as follows:
 - the Council has nomination rights to 75% of Raven stock in the Borough;
 - Raven provide the majority of the temporary accommodation required by the Council; and
 - the Council manages Raven's Transfer List.
9. There is however a mutual recognition that the working relationship between the two organisations has in previous years not been as strong as it perhaps could be. The Council and Raven have been working together in the past months to improve and restructure this relationship, and to form a new strategic partnership agreement which will consolidate the outcomes of these discussions.

LEGISLATIVE CHANGES

10. Pending legislation has affected our position in relation to Raven Housing Trust. The Housing & Planning Act 2016 achieved Royal Assent on 12 May 2016. It includes amendments which will remove our voting rights and ability to nominate Councillors to the Board of Raven Housing Trust.
11. The removal of both of these has been a priority for Raven Housing Trust in our discussions with them. The Trust is seeking to move to a position where their Board consists entirely of independent members selected exclusively for their skills, experience and abilities to fulfil the roles required.
12. Both organisations have evolved since 2002 when the LSVT was agreed, and we need to be mindful of not restricting Raven's ability to grow and evolve further, so long as this is in the best interests of the borough. By agreeing to these changes as part of the Agreement now, before they are imposed on us, we have been able to seek commitments from Raven in return which will ensure that this is the case.

PARTNERSHIP AGREEMENT 2017-2022

13. The Council's priority throughout this process has been to secure a firm commitment from Raven to help us to drive economic prosperity throughout the borough and with preventing and managing homelessness, which is a key pressure on the Council.
14. The following sections summarise the key areas of the Partnership Agreement.

Partnership areas

15. To demonstrate a mutual commitment, the Council will work with Raven as its principal preferred RP partner, and Raven will continue to focus activities and resources in the Borough.

16. Both partners will work together to:

- Share evidence and consult meaningfully to inform policy-making
- Increase the supply of affordable housing in the borough
- Reduce and prevent homelessness
- Provide, improve and manage temporary accommodation for the Council's use
- Have a co-ordinated approach to the housing register
- Prevent and deal with anti-social behaviour and community issues
- Maximise income for each organisation from land and property assets
- Regenerate key neighbourhoods
- Assist each other with business continuity and emergency planning arrangements

Partner commitments

17. The Agreement sets out a number of specific commitments to be made by each organisation, as well as some to be further explored together.

18. Some of the key outcomes are as follows:

- The Council will continue to retain right to buy receipts until 2032, and clawback of receipts until 2022
- The Council will retain nomination rights
- Raven will aim to build 100 new affordable homes in the borough over the 5 year period
- Raven will continue to invest in a money and welfare advice service, a digital inclusion service and an eviction prevention service supporting their residents
- Raven will make an extra 7 temporary accommodation properties available for when Chavecroft is redeveloped
- Raven will make their Moneywise service available to RBBC clients who are not Raven tenants (terms to be agreed)
- The Council will extend its debt collection service to Raven (terms to be agreed)
- The Council will offer Raven a Premier Service in terms of the total development process (to be defined)
- An assessment will be undertaken of gains which could be achieved by joining grounds maintenance contracts / functions
- An employment offer and intervention service will be created to tackle unemployment
- Raven and RBBC will explore new funding options, product offers, and allocation systems to best meet the varied needs of different residents and at different times of their lives

Decision making & engagement

19. The Council will no longer nominate to the Raven Board or be a shareholder. The Portfolio Holder for Housing will act as the key link between organisations, ensuring that the relationship is working well and delivering on its commitments.
20. The Agreement sets out guidelines for how Raven will select Board members and how it will involve the Council and its Strategic Residents Group (Falcon) in its work, acknowledging the importance of working closely with the local community.
21. To facilitate strong ongoing communication between the Council and Raven, bi-monthly meetings will be held at Senior Officer / Executive Director level. These will be joined quarterly by the Portfolio Holder for Housing, whilst the respective CEOs and the Leader will meet with the Chair of the Raven Board annually.

Time period

22. The Partnership Agreement at Annex 1 sets out details of our working relationship for a 5 year period, and will be reviewed annually.
23. The Agreement also sets out principles for longer-term joint working, with an expectation that a new MOU will be agreed by the end of 2022, to cover the period 2022 to 2027.

OPTIONS

24. Option 1 – Adopt the new Partnership Agreement with Raven Housing Trust as set out at Annex 1. This will ensure a strong working relationship with Raven going forwards which will enable us to best support some of our most vulnerable residents. **This is the recommended option.**
25. Option 2 – Undertake further work on the Partnership Agreement with Raven Housing Trust. This would introduce a delay which would not benefit either party, or our residents. The Council has a window of opportunity, before the implementation of legislation removing our right to nominate to the Board of Raven, to offer this in return for enhanced commitments from the Trust to supporting our objectives within the borough. **This is not the recommended option.**
26. Option 3 – Do nothing. Both parties have previously stated their commitment to forming a new partnership agreement in order to improve the working relationship. A reversal of that position now could damage that relationship, to the detriment of the Council and our residents. **This is not the recommended option.**

RISK MANAGEMENT

27. The Council has identified a strategic risk for 2016-17 relating to Housing & Welfare. The increasing number of residents being affected by a combination of welfare reforms and increasing housing costs increases the risk of residents becoming homeless, leading to their health and wellbeing being affected, which could subsequently increase the cost pressures on the Council.
28. The recommendations in this report will help us to manage this risk by ensuring that strong partnership arrangements are in place with the largest Registered Provider in the borough. The commitments set out within the Partnership Agreement will ensure that we are working together with Raven Housing Trust to provide the best support possible to those at risk of becoming homeless.

LEGAL IMPLICATIONS

29. The Council's current position on the Raven Board reflects the position which many councils adopted following LSVT. In the subsequent years the guidance from the Homes and Communities Agency was to move away from these arrangements; this was especially so in the era when many housing associations grew and merged and no longer retained a 100% link back with the original local authority. The legislation mentioned in this report now gives a government policy backing to that trend and guidance. If the Council does not make these arrangements itself then at some point in the future they will be implemented anyway.

FINANCIAL IMPLICATIONS

30. There are no direct financial implications arising from this report. The Council will continue to retain receipts from the preserved right to buy until 2032, and to retain clawback receipts until 2022. Some of the specific commitments listed in the Agreement will have cost implications, whilst others could potentially be income producing. One of the key aims of the new Partnership Agreement is to improve homelessness prevention in the borough. Any reduction in homelessness represents a significant financial saving to the Council by reducing the substantial cost of placing individuals and families in emergency bed and breakfast accommodation.

EQUALITIES IMPLICATIONS

31. There are no equalities implications arising directly from this report.

CONSULTATION

32. The Partnership Agreement has been developed in consultation with the Portfolio Holder for Community Support.
33. Extensive input has also been sought from the three Councillors currently appointed to the Board of Raven Housing Trust.
34. The Leader and Deputy Leader of the Council and Executive Members have been consulted.

POLICY FRAMEWORK

35. The Council's 5 Year Plan 2015-20 lists 'People' as a priority area. We aim to provide quality services and support to our residents, enabling all to live happy and healthy lifestyles. There is a particular focus on supporting those in vulnerable families and young people, and one of our objectives is "*to enable residents to benefit from the borough's prosperity and to address the impact of welfare reform, including Universal Credit from 2016*".
36. Our relationship with Raven Housing Trust, the largest Registered Provider in the borough, is a key element in our approach to achieving these goals. The new Partnership Agreement will improve the Council's ability, working together with Raven, to protect vulnerable residents from the impact of welfare reform, from homelessness and from unemployment.



Reigate & Banstead Borough Council and Raven Housing Trust

Strategic Partnership

2017-2022

This Partnership Agreement sets out the basis upon which Raven Housing Trust and Reigate and Banstead Borough Council will work together over the 5 year period 2017-2022. It also makes reference to the future and the aspirations both organisations have for the relationship beyond 2022.

There are a number of existing legal or formal agreements between the Council and Raven (see Appendix A), this MoU does not change the obligations in these agreements, but should be seen as a statement of intent between the two organisations to clarify how we will work together to achieve our shared objectives.

The Council and Raven have agreed to work together on the issues outlined below and will review the agreement annually.

BACKGROUND

Reigate & Banstead Borough Council is one of eleven district councils in Surrey; it has the highest population in Surrey, and is also the area with the highest projected population growth. The Borough has a population of approx. 136,000 living in approx [56,000] properties. There are approx. 7,000 affordable homes in the Borough, of which about 6,500 are for rent.

The Council has no housing stock of its own; this was sold to Raven Housing Trust¹ via a Large Scale Voluntary Transfer (LSVT) arrangement in 2002. The purpose of that transfer was to ensure investment in the stock and that it continued to be fit for letting. There was limited expectation that Raven would build additional social housing. The Council therefore relies on Registered Providers, and in particular Raven, to meet the accommodation needs of people requiring affordable housing.

The Borough is one of the most expensive, and least affordable, places to live in the country; there are over 1,000 households on the housing waiting & transfer lists; and every year around 800 households approach the Council as homeless, or seeking advice on their housing needs and options.

Raven Housing Trust took transfer of the Council's housing stock in 2002, since that date most of its development of new affordable housing has been within Reigate & Banstead; although in more recent years Raven have been developing in a number

¹ Originally Reigate & Banstead Housing Trust.

of other local authority areas. Raven is the largest provider of affordable housing in the Borough, accounting for over 80% of all rented affordable housing.

The Council and Raven have worked in partnership since 2002, for example: the Council has nomination rights to 75% Raven stock in the Borough; Raven provide the majority of the temporary accommodation required by the Council; and the Council manages Raven's Transfer List.

Raven's housing stock makes up about 10% of all properties in the Borough, and the majority of stock is concentrated in particular areas rather than spread evenly across all parts of the Borough, in some areas Raven tenants make up a significant portion of the local residents. Raven also have significant housing stock and land holdings, some of which has been acquired by Raven in Preston since the original transfer, which make them a very significant partner in three of the Council's Regeneration Areas (Merstham, Preston and Redhill).

This partnership supports key themes in both organisations strategic plans:

http://www.reigate-banstead.gov.uk/download/downloads/id/610/our_5_year_plan_2015-20

<http://www.ravenht.org.uk/resources.php/532/less-is-more-strategic-plan-2015-2018>

STRONG PARTNERSHIP FOCUSING ON THE BOROUGH

Raven & the Council will work together to build a strong partnership to meet their respective corporate priorities. In particular:

The Council

- Supporting residents into employment – particularly those in vulnerable families and young people
- Work with and support our partners to provide great services for older people and to help them stay independent

Raven

- Building commerciality and partnerships; to strengthen our 'social purpose' through diversification
- Creating a clearly defined, modern, accessible and sustainable service to meet the needs of Raven, our customers and the wider community

The partnership will focus onto creating safe and sustainable communities; meeting housing needs, preventing homelessness; increasing the supply of affordable housing, and regenerating identified areas.

Short term priorities will focus upon money advice, eviction prevention, digital inclusion, employment support and the wider health agenda (especially focussing upon the health barriers to employment and the 'ageing well' agenda).

To demonstrate commitment the Council will work with Raven as its principal preferred RP partner, and Raven will continue to focus activities and resources in the Borough.

Specific areas in which achievements will be made through partnership working are outlined below. The partners will:

POLICY, EVIDENCE & CONSULTATION

Work in partnership and assist each other to gather and share evidence that will support robust policies, making the Borough a better place to live and meeting the needs of the community, with a special emphasis on policies relating to planning and also affordable housing.

Consult, meaningfully on current and in advance of any proposed policies particularly those that directly affect the two organisations and the wider community.

The partners recognise the important role of local Ward members and will seek to build on the existing neighbourhood working by briefing Ward members on issues within their areas, as appropriate.

AFFORDABLE HOUSING

Work together to increase the supply of affordable housing in the Borough, particularly to provide additional rented affordable housing to meet demand from those in the community with the greatest need.

Work together to improve and or replace existing affordable housing that is no longer fulfilling a priority need.

HOMELESSNESS & TEMPORARY ACCOMMODATION

Work together to reduce and prevent homelessness and potential homelessness; and develop initiatives to support households at risk of becoming homeless.

Work together to provide, improve, and manage temporary accommodation for the Council's use.

MEETING HOUSING NEED

Have a coordinated approach to policies on waiting lists, choice, nominations and allocations to jointly meet housing need, particularly the needs of the most vulnerable, the homeless, and people with special or support needs.

Make best use of the existing stock of affordable housing in the Borough by actively engaging with other affordable housing providers, and working together on tackling under-occupation, overcrowding, tenancy fraud and tenant's transfers.

BUILDING STRONGER COMMUNITIES

Work together to prevent problems and deal with issues affecting local communities including anti social behaviour, parking and noise etc. including participating in joint working groups with the police and other organisations.

LAND, PROPERTY & ASSETS

Work in partnership to achieve a balance between:

- Creating and maximising income for each organisation from land and property assets;
- Regenerating key neighbourhoods; and
- Increasing the supply of affordable housing in the Borough.

BUSINESS CONTINUITY & EMERGENCY PLANNING

Work together to assist each other where possible in business continuity planning and in emergency planning situations to maximise outputs for the local community. Including:

- The mutual provision of office accommodation for staff if affected by any business continuity incident, and
- Supporting Council officers involved in responding to major incidents.

PARTNERSHIP COMMITMENTS 2016-2021

In addition to the above both organisations have made specific commitments as part of this agreement. These are outlined below.

Raven Commitments

1. The Council will continue to retain receipts from the preserved right to buy until 2032
2. The Council will continue to retain the clawback receipts until 2022
3. The Council will retain nomination rights to Raven properties. Those 'nominations rights' (75% for general needs and 100% for specified Temporary Accommodation) will continue for properties originally transferred and newly built affordable housing in the Borough.
4. Raven will aim to build at least 100 net new affordable houses in the Borough over the 5 year period of the agreement in the most deprived local communities within the borough.
5. Raven will commit to a continued investment of £700K over 5 years on a money and welfare advice service (Moneywise) supporting Raven residents, reducing the risk of future evictions.

6. Raven will commit to a continued investment of £150,000 over 5 years on a digital inclusion service supporting Raven residents.
7. Raven will invest an additional £150K over 5 years in an eviction prevention service (Parashoot) for residents.
8. Raven will make a further 7 properties available to replace those currently used to temporarily house homeless families, when Chavecroft is redeveloped.
9. Raven will make their existing Moneywise service available to RBBC clients who are not Raven tenants (terms to be agreed).

Reigate & Banstead Commitments

1. The Council will make available its debt collection service to Raven (terms to be agreed).
2. The Council will offer Raven a Premier Service in terms of the total development process – from property services, planning, legal and housing. RBBC and Raven will work together in the 3 months after the start of this agreement, to define exactly what this means (to include as a minimum a dedicated point of contact in planning, reduced pre application fees and defined legal timescales).
3. Assist Raven with briefing Ward Members by providing contact details/ward maps etc. and acting as a communication channel through Member updates.

In addition to the above both organisations will work together in the following ways:

- Undertake an assessment of gains which could be achieved by joining grounds maintenance contracts / functions.
- Create an employment offer and intervention service to tackle unemployment in the borough.
- Explore new funding options for essential services for vulnerable members of the community.
- Both organisations see the benefit in developing a range of different products and services to meet differing needs. As part of that process, both organisations will assess the Starter Homes and Rent to Buy products alongside a new offer for older residents. They will work together to identify the right sites for the right products.
- Both Raven and RBBC see a need to consider what services are right for different people at different times in their lives. The current system which 'allocates' properties based upon bedroom size/ need and to those whose need is greatest at that time, does not necessarily reflect longer-term aspirations, changing circumstances nor the impact of welfare reform. Both parties will review how the existing and new social housing stock (and

accompanying services) are used to best reflect the needs and aspirations of local people and each organisation.

- Both RBBC and Raven have profitable development subsidiaries / companies aimed at creating surpluses. Where appropriate to do so the Council and Raven will work collaboratively to deliver schemes that benefit both parties and the communities in which they operate.

THE MATURING RELATIONSHIP (5 YEARS +)

Upon the completion of the current partnership agreement (in 2021), it is envisaged that both parties will work together to put in place a new agreement. It is understood now that this will be based upon the following principles.

In terms of strategic management, both Raven and RBBC commit to working in true partnership, where both parties are accountable to the other. The partnership will be mutually supportive and inter-dependent. Both parties will contribute to the partnership which will be focussed upon:

- an increasing supply of new homes. The Partnership will explore new development potential, identifying needs and land opportunities to meet those needs. It will explore barriers to building new homes and seek to create a stream lined and effective service to quicken the build process;
- developing a variety of tenures and differing products. The Partnership will see how long terms strategic needs can be joined, considering the housing, health, education and employment needs of the area;
- efficiency and effectiveness. The partnership will constantly seek out ways to do things more effectively and efficiently, by exploring opportunities for joint working;
- a close working relationship with the local economy, growing job opportunities and the capacity of local people to get work or better work;

DECISION MAKING & WORKING TOGETHER

The Raven Board will consist entirely of independent members selected exclusively for their skills, experience and abilities to fulfil the roles required. This will remove reserved places on Raven's Group Board for both Council nominees and residents.

The Council will no longer (as agreed as part of the LSVT in 2002) have rights to nominate to the Raven Board or to be a shareholder.

This new arrangement reflects how the organisations have evolved and is a more effective method of partnership working.

The Council's Portfolio Holder with responsibility for Housing will become the key accountable link between the two organisations, ensuring that the relationship is working well and delivering on its commitments.

COMMUNITY ENGAGEMENT AND LEADERSHIP

Both Raven and RBBC recognise the importance of working with the local community, maintaining close community links and to being embedded in the communities within which they operate.

To demonstrate the partnership's continuing commitment in this respect:

- Where the Council's role as a strategic partner is key to the development of strategy, and where that conversation is happening at Raven's Board level, the Housing Portfolio holder will be invited to support that process. Equally, RBBC will reciprocate with either the Executive Directors or Board members.
- Raven will continue to develop the Strategic Residents Group (Falcon), in line with the plan developed between the Raven Board and Falcon in June 2016, which includes regular attendance of Falcon members at Raven's Board discussions.
- The board skills matrix (which sets out the Skills required on the Raven Board to deliver Raven's strategy) will include 'a deep understanding of the local communities Raven serves'.

In addition to the above the Raven Board member search and selection policy will include the following:

- Using all reasonable endeavours to obtain a diverse range of candidates including without limitation those with lived experience as a resident or service user in the social housing sector.
- The use of Stakeholder Focus Groups (to include for example, representatives of the Council, Falcon, YMCA, East Surrey College, First Community Health etc.) as part of the selection process for at least one in every three vacancies.

SENIOR MANAGEMENT, PORTFOLIO HOLDER & CHAIR/LEADER INVOLVEMENT

Projects and commitments will be monitored by Executive Directors at Raven and Senior Managers at RBBC who will meet bi monthly.

The above will also meet quarterly with the Housing Portfolio holder, CEO of Raven and the CEO of RBBC.

The Chair of Raven's Board and the Leader of RBBC will meet no less than annually.

The Parties acknowledge that the achievement of some issues within this MoU may require decisions to be made in accordance with the respective constitutions of the parties. Nothing in this MoU affects the constitution or internal governance arrangements of the Council or Raven, nor does it pre-empt any decisions that may be required to be made.

REVIEW

The partnership will undertake a formal annual review which will be reported to each organisation.

A new MOU will be agreed between the Council and Raven by the end of 2020 to cover the period 2020 to 2025.

Signed

Signed

Date

Date

Cllr Victor Broad
Leader Reigate & Banstead Borough Council

Caroline Armitage
Chairperson, Raven Housing Trust

Appendix A

Existing legal and formal agreements

LSVT Agreement {25th March 2002}

MoU re Major adaptations to Raven Homes via RBBC's DFG Process {10th October 2008}

S106, Nomination and Funding agreements for individual sites and properties {Various dates}

Transfer List Agreement {in preparation 2011}

Loft Conversion Programme {in preparation 2011}

Temporary Accommodation Action Plan

