

**AGENDA ITEM**

**REPORT TO CABINET**

**14 FEBRUARY 2019**

**REPORT OF PLACE  
SELECT COMMITTEE**

## **CABINET DECISION**

**Lead Cabinet Member – Regeneration and Housing – Councillor Nigel Cooke**

### **SCRUTINY REVIEW OF CONSOLIDATION OF THIRTEEN HOUSING GROUP**

1. Summary

The attached report presents the outcomes of the Place Select Committee's review of Consolidation of Thirteen Housing Group.

2. Recommendations

The Committee recommend that:

- 1) Thirteen Housing Group provide an update report to the Place Select Committee in 2019 on the new Neighbourhood Co-ordinator operating model as part of this review's monitoring process, including assurance that the new Co-ordinators are appropriately skilled, trained and supported.
- 2) Thirteen Housing Group continue to seek positive relationships and strong communication with all Ward Members, and have robust plans in place for Ward Member engagement following the Local Elections in 2019.
- 3) Whilst acknowledging the restrictions around the national policy approach, the Committee fully support Thirteen Housing Group's commitment to looking at options to convert its future development programme from 'affordable rent' to 'social rent', and request that an update is provided following Thirteen Board's discussions on this.
- 4) Thirteen Housing Group provide assurance around the process of re-housing Anson House and Hudson House tenants to ensure, as far as possible, that people remain in that locality in the tenure of their choice (if this is their wish).

*In relation to Thirteen's decision to withdraw from the CBL scheme*

- 5) Thirteen Housing Group provide assurance that the new Thirteen digital platform will accommodate the Council's requirements. If this assurance is not possible, Thirteen to provide assurance that it will include an effective interface with the current CBL operating scheme.
- 6) In order to mitigate additional cost burdens on the Council (including additional staffing requirements to administer the Housing Register and effectively deliver the agreed

Nomination Agreement), Thirteen Housing Group provide further assurance around financial support to the Council following their exit from the current CBL scheme.

- 7) Thirteen Housing Group and the Council work together to ensure commonality on priority bandings in their respective Lettings / Allocation Policies, with the aim of ensuring that the Borough's housing needs are appropriately met. Thirteen to provide the Council with regular (quarterly) updates of the number of lettings, by priority banding, made directly via the Thirteen Lettings Policy.
- 8) The agreed Nomination Agreement includes a fair and equitable percentage of Thirteen housing stock (including property type, tenure and location).
- 9) Thirteen Housing Group give an undertaking to work jointly with the Council to ensure consistent communication and messages to residents / customers leading up to and post Thirteen's exit from CBL.

### 3. Reasons for the Recommendation(s)/Decision(s)

The report presents the findings of the scrutiny review of Consolidation of Thirteen Housing Group which was carried over from the 2017-2018 scrutiny work programme.

### 4. Members' Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in **paragraphs 9 and 11** of the Council's code of conduct and, if so, declare the existence and nature of that interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

Where a Member regards him/herself as having a personal interest, as described in **paragraph 16** of the code, in any business of the Council he/she must then, **in accordance with paragraph 18** of the code, consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest and the business:-

- affects the members financial position or the financial position of a person or body described in **paragraph 17** of the code, or
- relates to the determining of any approval, consent, licence, permission or registration in relation to the member or any person or body described in **paragraph 17** of the code.

A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code).

Members may participate in any discussion and vote on a matter in which they have an interest, as described in **paragraph 18** of the code, where that interest relates to functions of the Council detailed in **paragraph 20** of the code.

### **Disclosable Pecuniary Interests**

It is a criminal offence for a member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) **paragraph 21** of the code.

Members are required to comply with any procedural rule adopted by the Council which requires a member to leave the meeting room whilst the meeting is discussing a matter in which that member has a disclosable pecuniary interest (**paragraph 22** of the code).

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## DETAIL

1. Stockton-on-Tees Borough Council (SBC) completed a large-scale stock transfer to Tristar Homes Ltd in December 2010 which facilitated a multi-million pound investment programme of upgrading existing stock, funding environmental improvements and the delivery of much-needed new affordable homes in the Borough.
2. In July 2017, Tristar Homes, along with Erimus Housing, Housing Hartlepool, Tees Valley Housing and Thirteen Care and Support, joined in partnership to create one strong social purpose business called *Thirteen* (the single landlord). This consolidation would enable Thirteen to deliver an internal efficiency programme and give greater flexibility for the single landlord to lever in additional financial resources to support future investment programmes across the Tees Valley. Thirteen remain committed to working in collaboration with SBC and want to be the Council's '*partner of choice*'.
3. As a landlord and housing developer, Thirteen manages 34,000 properties from North Tyneside to York, with the majority of homes for rent and sale in Teesside. In addition, Thirteen is a social purpose business that uses commercial skills to meet its priorities, and its care and support services offer help for vulnerable people facing a range of challenges. A range of housing support services is also offered including money advice, extra care schemes to help people live independently for longer, adaptations to homes, and help with anti-social behaviour.
4. The operating environment for Registered Housing Providers has changed significantly over recent years - financial pressures due to (a) a cut in social rents by 1% per year for the next four years, (b) the proposed introduction of 'voluntary right to buy' for all housing association tenants, and (c) the proposal to limit the amount of rent payable to the Local Housing Allowance Cap (NB. Government has recently announced this element of proposed rent changes will now not be implemented). In response to these financial pressures, Thirteen (like other RPs) has undertaken a programme of efficiency savings to mitigate lost income and unlock financial capacity within the Group to be able to both continue to deliver quality services to its tenants, and deliver additional affordable housing units.
5. The aim of this review was to explore the impact (if any) of the consolidation of Thirteen Housing Group in relation to:
  - the delivery of services to tenants within the Borough;
  - ongoing liaison and contact with SBC at both an operational level (including appropriate Ward Members) and at strategic level;
  - their commitment post-consolidation to continue to be the Council's '*partner of choice*' (i.e. how their significant forward investment programme aligns and supports the Council's broader economic and regeneration priorities).
6. The Committee received evidence from Thirteen Housing Group (including the Chair of the Thirteen Customer Council, the overarching body of involved residents that reviews

performance and holds Thirteen to account) and Stockton-on-Tees Borough Council. Existing customer survey information has been reviewed, and a site visit to Acorn House, Thornaby (supported housing scheme), was undertaken.

## **COMMUNITY IMPACT IMPLICATIONS**

7. The recommendations include a requirement for Thirteen to provide an update on the new Neighbourhood Co-ordinator operating model, as well as measures to mitigate the impact of Thirteen's decision to withdraw from the Choice Based Lettings (CBL) Scheme on the Council and those individuals and families who require social housing.

## **FINANCIAL IMPLICATIONS**

8. The extent of investment by Thirteen into the Borough has been outlined as part of this review, along with the regeneration of key areas in partnership with the Council. A continuation of the strong partnership between Thirteen and SBC will help ensure that future investment remains aligned with the Council's priorities.

## **LEGAL IMPLICATIONS**

9. There are no significant legal implications.

## **RISK ASSESSMENT**

10. This review is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

## **COUNCIL PLAN POLICY PRINCIPLES AND PRIORITIES**

11. This review potentially supports aspects of all 4 policy principles:
  - Protect the vulnerable
  - Create economic prosperity
  - Tackle inequality
  - Help people to be healthier

## **CORPORATE PARENTING IMPLICATIONS**

12. There are no direct implications in the report.

## **CONSULTATION INCLUDING WARD/COUNCILLORS**

13. The Committee have received evidence as set out in the final report of the Place Select Committee.

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Education related?: No

Background Papers: None

Ward(s) and Ward Councillors: Recommendations within this report are not Ward-specific.

Property: n/a