

## **DRAFT** PORTFOLIO HOLDER DECISION NOTICE

### **PROPOSED** INDIVIDUAL DECISION BY THE PORTFOLIO HOLDER FOR HOUSING

### TOPIC – CHANGES TO THE PARTNERSHIP AGREEMENT AND ADMINISTERING AUTHORITY ARRANGEMENTS FOR HAMPSHIRE HOME CHOICE

#### **PROCEDURAL INFORMATION**

The Access to Information Procedure Rules – Part 4, Section 22 of the Council's Constitution provides for a decision to be made by an individual member of Cabinet.

In accordance with the Procedure Rules, the Chief Operating Officer, the Chief Executive and the Chief Finance Officer are consulted together with Chairman and Vice Chairman of The Overview and Scrutiny Committee and any other relevant overview and scrutiny committee. In addition, all Members are notified.

If five or more Members from those informed so request, the Leader may require the matter to be referred to Cabinet for determination.

**If you wish to make representation on this proposed Decision please contact the relevant Portfolio Holder and the following Committee Administrator by 5.00pm on Friday 21 June 2013.**

#### **Contact Officers:**

#### **Case Officer:**

Richard Botham. Tel 01962 848421 Email: [rbotham@winchester.gov.uk](mailto:rbotham@winchester.gov.uk)

#### **Democratic Services Officer:**

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#### **SUMMARY**

As part of the implementation of the Hampshire Home Choice, Choice Based Lettings system, the Council and its partners (East Hampshire District Council and Havant Borough Council) signed up to a partnership agreement, all committing to a shared "sub-regional" approach to allocating social and affordable housing throughout their districts. Test Valley Borough Council has since joined the partnership. This notice recommends changes to current administration arrangements and does not impact on the Council's overall commitment to the scheme.

The costs of operating Hampshire Home Choice (including project set up, dedicated staffing, IT support, training and general administration) has been funded by a mix of

Government grant, financial contributions from all partners and annual charges paid by participating landlords. All Government grant was committed in the early years of the project. Some funds relating to partner contributions and charges to landlords participating in the scheme remain uncommitted and are held by the City Council on behalf of all partners.

Since the start of the partnership, the City Council has acted informally as the “administering authority”, with responsibility for managing income and expenditure in relation to the project, although this role is now undertaken by Test Valley Borough Council. The partnership manager, funded through the project budget, has been employed by other partners (East Hants initially and currently by Test Valley). As the partnership manager undertakes most of the administration, it was considered appropriate for their employer to be the formal “administering authority”.

The partnership agreement has been reviewed with a view to other partners potentially joining the scheme and how the interests of the founding partners can be protected if this occurs. It is proposed that the current resources which are held and administered by the City Council be set aside as a “reserve fund”, equally shared by the current participating councils. All future operating costs will be met from annual landlord charges, which will be reviewed and set at a level to ensure annual operating costs are recovered. The reserve fund will only be used to meet exceptional unforeseen costs that could fall due to the current participating councils, or shared equally in the event of the partnership being terminated.

This change in arrangements and revisions to the partnering agreement do not change the City Council’s commitment to Hampshire Home Choice. They simply clarify administering arrangements and to protect the interests of original partners should other councils wish to join the scheme (which would require separate approval of each participating council). Key features of the agreement (which has been reviewed and agreed by each partner’s legal teams) include:

- Arrangements for the charging of registered providers for letting their properties through the scheme
- The responsibilities of the lead authority and the role of the Hampshire Home Choice Manager.
- The procedure for other parties to join the scheme and the conditions for this.
- The role of the Hampshire Home Choice Board and procedures for reaching agreement on developing the scheme, resolving disputes and the conditions in relation to terminating the agreement.

As Test Valley Borough Council is now acting as the administering authority for Hampshire Home Choice, it is proposed that all funds currently held by the City Council on behalf of all partners as detailed below be transferred to Test Valley with immediate effect. Annual charges for 2013, which would normally have been raised by the City Council, are now being administered by Test Valley, which has also taken on direct responsibility for debt management.

## Financial Implications

The current resources held by the City Council, which are retained specifically for the Hampshire Home Choice Partnership and which are made up of partner contributions and landlord charges, less operating costs, amounts to £67,770. All partners have contributed broadly equal amounts to the partnership to date and have an equal call on these funds. It is proposed that this budget be decommissioned and these funds paid directly to Test Valley Borough Council. The City Council will have rights to a quarter share of the reserve fund and the administering authority will be required to produce regular monitoring statements for all parties, and to repay the share to each partner if and when the partnership is dissolved.

Whilst Test Valley Borough Council are acting as administering authority, the overall management and control of Hampshire Home Choice will continue to be through the Partnership Board, on which the City Council has formal officer and member appointments.

## **PROPOSED DECISION**

1. That the £67,770 net proceeds currently held by the City Council in relation to the Hampshire Home Choice scheme be transferred to Test Valley Borough Council as the body appointed by the Hampshire Home Choice Board to act as “administering authority”.
2. That the Assistant Director (Chief Housing Officer) be authorised to approve and enter into the final Hampshire Home Choice Partnering Agreement

## **REASON FOR THE PROPOSED DECISION AND OTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

The City Council could retain the “administering authority” function. However, there is no advantage in the role (in fact it results in significant workload in relation to landlord liaison and debt management). It is considered appropriate for the body employing the partnership manager to undertake this function.

Another option would be to divide existing funds equally between partners and agree new contributions to the partnership. However, as contributions to date have been broadly equal, retaining existing funds as a partnership “reserve fund” is considered to be the best way forward.

## **FURTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED FOLLOWING PUBLICATION OF THE DRAFT PORTFOLIO HOLDER DECISION NOTICE**

N/A

**DECLARATION OF INTERESTS BY THE DECISION MAKER OR A MEMBER OR OFFICER CONSULTED**

N/A

**DISPENSATION GRANTED BY THE STANDARDS COMMITTEE**

N/A

**Approved by: (signature)**

**Date of Decision:**

**Councillor Tony Coates - Portfolio Holder for Housing**