

APPENDIX 2



Chorley Council Registered Provider Partnership Framework

Introduction

The Chorley Council Registered Provider Partnership Framework is a strategic partnership between the Council and the Registered Providers selected by the Council to deliver affordable housing in the borough secured through Section 106 Agreements.

The delivery of high quality affordable housing is a key objective of the Council's Corporate Strategy. This Framework allows careful selection of Registered Provider partners to ensure that those Registered Providers delivering affordable housing in the borough meet the objectives of the Council and benefit residents by providing high quality and well managed affordable homes.

Objectives

The objectives of the Framework are:

- To work in partnership with Registered Providers to maximise the delivery of high quality and well managed affordable housing, of the right tenure, in the borough secured through Section 106 Agreements, in accordance with the requirements of Policy 7 of the Central Lancashire Core Strategy, the Central Lancashire Affordable Housing SPD and the Council's Tenancy Strategy.
- To seek to provide certainty to developers and Registered Providers and ensure affordable units are truly affordable by identifying transfer prices to be used as a guide for affordable units secured through Section 106 Agreements.
- To provide a consistent approach to allocations by only allowing Registered Providers that are signed up to the Council's choice based lettings scheme Select Move, or give assurance that they will sign up to Select Move if selected to be a partner, and have a local presence to be a partner of the Framework.

Membership Criteria

Only Registered Providers that meet the following mandatory criteria are invited to apply to be a partner of the Framework:

- Are a Registered Provider with Homes England and have Investment Partner status.
- Are signed up to the Council's choice-based lettings scheme Select Move or give assurance that they will sign up to Select Move if they are selected as a partner. Failure to sign up to Select Move will result in the Registered Provider being removed from the Framework.
- Have existing affordable stock in the borough or have secured affordable stock through planning permission/Section 106 Agreements that have not yet been developed.
- Are committed to investing in Chorley Borough with particular focus on new social rented stock (affordable rent where grant funded).

Applications from Registered Providers meeting the above criteria will be considered further and assessed against the following performance criteria:

- Compliance with regulatory standards
- Management arrangements
- Customer care/quality of service
- Development expertise
- Support for Council's strategic objectives

Application Process

Registered Providers wishing to join the Framework will be required to provide a written submission confirming that they meet the mandatory criteria and outlining how they meet the performance criteria set out above. Appendix 1 sets out further information on the criteria and the process for scoring submissions and selecting partners.

A Selection Panel comprising of Chief Officers, Elected Members and at least one independent representative has been formed which will assess and score the applications and decide which Register Providers will be selected as partners.

Allocation Process

The process for allocating affordable units which will be secured through a Section 106 Agreement is as follows:

1. The planning application will be determined, and the Section 106 Agreement signed which will specify that the affordable units must be allocated in line with this Framework.
2. The developer will be required in the first instance to liaise with the Council regarding the transfer of the affordable units.
3. If the Council do not wish to secure the affordable units, the developer can transfer the affordable units to any other Registered Provider on the Framework. The preference is that if a particular RP owns significant existing stock in the area of the development then the affordable units should be allocated to that RP. The developer must notify the Council which RP has secured the units upon entering into a contract.
4. Prior to or upon completion of the affordable units, the Registered Provider will pay the developer the agreed transfer value.

Transfer Values

The following transfer values should be used as a guide for affordable units secured through Section 106 Agreements:

Dwelling Type	Tenure	Benchmark £/sqm
Apartments - studio and 1 bed	Social Rent	£722.06
	Shared Ownership	£1,436.91
Apartments - 2 and 3 bed	Social Rent	£760.55
	Shared Ownership	£1,513.50
Houses - 2 or more bedrooms	Social Rent	£697.92
	Shared Ownership	£1,388.86

These transfer values have been calculated based on household income and affordability in Chorley Borough. It is proposed that they will be updated on an annual basis to account for changing market conditions and local housing need requirements.

Duration of the Framework

The Framework will run for a three year period from 1st April 2021 to 31st March 2024. However, if it is considered necessary the Council will review the Framework sooner. New Registered Providers will only be invited to join the Framework during any review.

Number of Partners

The aim is for the Framework to have a minimum of five partners to ensure that all affordable units secured through Section 106 Agreements can be delivered. There will be no maximum number of partners.

Fees

All partners are required to contribute to the cost of service delivery. A fee will therefore be charged for each affordable housing unit delivered through the Framework. These fees go towards the provision of services which enable the delivery of affordable housing and assist in funding the administrative services required to secure and maximise affordable housing delivery. They may also be used to secure any other additional services directly relating to affordable housing delivery.

The total fee for a development is payable by the Registered Provider to the Council when a start on site is made by the developer. The fees cannot be paid from reserves which have been accumulated via funded schemes such as Recycled Capital Grant Fund.

The fee is £500 per affordable unit. This fee will be increased annually by RPI.

Requirements of Partners

Partners of the Framework are required to sign a Partner Agreement and:

- Adhere to the membership criteria and allocation process
- Pay the relevant fees in a timely manner
- Recycle shared ownership staircasing receipts in the Borough
- Provide quarterly update reports to the Council
- Provide details of Regulator of Social Housing regulatory judgements/regulatory notices to the Council when published

Monitoring the Framework and Addressing Poor Performance

The Council will annually review the performance of the Framework and the performance of each partner against the membership criteria and partner requirements. Poor performance or failure to meet these requirements will result in the partner being removed from the Framework.

If a partner is judged to be non-compliant with the Regulator of Social Housing regulatory framework and/or is subject to intervention/enforcement action they will be removed from the Framework. Their partner status will be reviewed following the outcome of the intervention/enforcement action.

Process for Scoring Submissions and Selecting Partners

Membership criteria

Applications from Registered Providers must confirm that they meet the mandatory membership criteria and include a written submission setting out how the Registered Provider meets the performance criteria set out below. Details of the evidence to be provided are also set out below. Applications should be accompanied by relevant documentation.

Performance Criteria	Partner Requirements	Evidence to be Provided
Compliance with regulatory standards	Demonstrate compliance with the Regulator of Social Housing regulatory framework	<p><u>RPs that own 1,000 social housing units or more</u></p> <ul style="list-style-type: none"> Details of latest published regulatory judgement showing that a governance grade of G1 or G2 and a viability grade of V1 or V2 has been achieved Details of any regulatory notices <p><u>RPs that own less than 1,000 social housing units and Local Authorities</u></p> <ul style="list-style-type: none"> Details of any regulatory notices
Management arrangements	Satisfy the Council that appropriate local management arrangements are in place	<ul style="list-style-type: none"> Details and copies of key policies and procedures relating to local housing management
Customer care/quality of service	Demonstrate a high level of commitment to excellent service delivery	<ul style="list-style-type: none"> Details and copies of any policies relating to customer care/quality of service Results of any tenant satisfaction surveys undertaken in the Borough Details of the complaints procedure and how it can be accessed by customers
Development expertise	Demonstrate a proven track record of delivery	<ul style="list-style-type: none"> Details of existing stock in the Borough An overview of stock outside of the Borough
Support for Council's strategic objectives	Demonstrate an understanding and support of the Council's strategic objectives relating to affordable housing	<ul style="list-style-type: none"> Details of how the Council's strategic objectives will be supported and fit with the objectives of the RP.

Scoring system

Each of the above criteria will be scored as follows on a scale of 0 to 5:

0 - No response	
1 - Inadequate	The Registered Provider has not demonstrated that they meet any of the requirements of this criteria
2 - Concerns	The Registered Provider has demonstrated that they meet some but not all of the requirements of this criteria
4 - Potential	The Registered Provider has provided satisfactory information demonstrating that they meet the requirements of this criteria
5 - Capable	The Registered Provider has provided strong and comprehensive information demonstrating that they meet/exceed the requirements of this criteria