



## **Report to Cabinet**

**Subject: Stock Transfer Partner Selection**

**Date 7 December 2006**

**Author: Head of Housing Services**

### **1. Purpose of the Report**

To seek approval for the selection of New Charter Housing Trust as the preferred partner Registered Social Landlord (RSL) to the council for stock transfer.

### **2. Background**

The council advertised for expressions of interest from potential partner RSL's in June 2006. From this initial part of the process, the council received seventeen submissions. The organisations had to outline how they would support Gedling through the stock transfer process and outline what benefits they could offer for tenants, staff and the council.

The Stock Transfer Working Party met on 25 July 2006 and agreed to forward the following six organisations on to stage 2 of the selection process:-

Accent Housing Group  
East Midlands Housing Association  
Accord Group  
Trans-Pennine Group  
Harvest Group  
New Charter Housing Trust Group

Following this the Accent Housing Group pulled out of the process and the Longhurst Group, who had been selected as the reserve, replaced them.

Second stage submissions were subsequently received from the six organisations. All six organisations attended a Partner Open Day on 14 September 2006. This day was very well attended by tenants, staff and elected

members and enabled them to meet with the organisations, ask questions and discuss any issues they may have had regarding the way they operate.

A series of visits were then carried out to all the six organisations. These visits were attended by the Stock Transfer Working Group, consisting of 5 Elected Members, 7 tenants and 5 staff, plus other relevant staff, including Sheltered Housing Wardens.

The final part of the process was completed on the 16 and 17 November, when all six of the organisations gave presentations and were interviewed by the Stock Transfer Working Party. Following the interviews a robust assessment process was carried out, which resulted in the selection of a preferred partner RSL.

The Stock Transfer Working Party agreed to recommend that the New Charter Housing Trust Group to the Cabinet as the preferred partner RSL for the stock transfer.

The group also agreed to recommend that the Accord Group be held in reserve.

### **The New Charter Housing Trust Group**

The New Charter Housing Group were formed in March 2000 to take the stock transfer from Tameside Metropolitan Borough Council.

A briefing note giving an overall outline of the New Charter Housing Trust Group is attached at Appendix 1.

### **3. Proposals**

To propose that the New Charter Housing Trust Group is selected as the preferred partner RSL for the stock transfer.

To propose that if agreed the council will then enter into a Memorandum of Understanding with New Charter Housing Trust Group. Such a Memorandum will set out a framework between the Organisations and clarify the roles and responsibilities of the organisations and areas of agreement between the Organisations. It is proposed that the Memorandum be approved by the Portfolio Holder for Housing.

To propose that the Accord Group be held in reserve.

### **5. Recommendations**

To recommend that the New Charter Housing Trust Group is selected as the preferred partner RSL for the stock transfer.

To note that a Memorandum of Understanding will be entered into with New Charter Housing Group Trust and that the Portfolio Holder for Housing will approve any such document.

To recommend that the Accord Group be held in reserve.

**NEW CHARTER**

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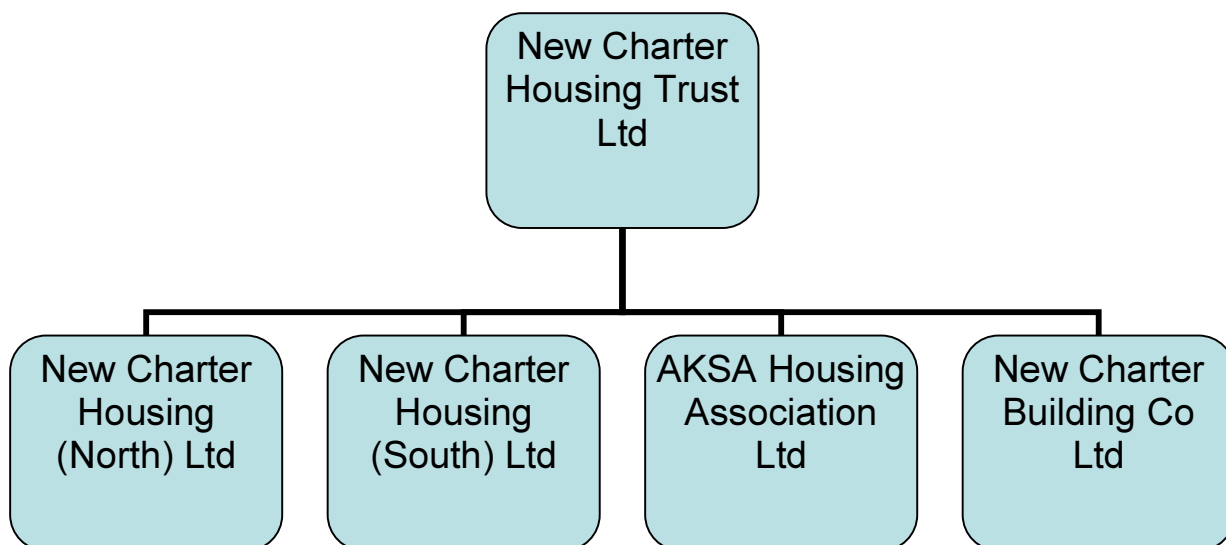
**GREAT HOMES**

**GREAT NEIGHBOURHOODS**

**GREAT STAFF**

## OUR HISTORY & STRUCTURE

- Formed in March 2000 to take the transfer of Tameside MBC housing stock and deliver a 10 year programme of investment and improvement amounting to £224m.
- Structure on creation comprised New Charter Housing Trust Ltd, (the parent), two stock holding subsidiaries (NCH North and NCH South), and the Group's in-house repairs and maintenance contractor, New Charter Building Company.
- New Charter Property Services Ltd created in 2001 to provide a facilities management service for the Group's assets
- Akxa Housing Association joined the Group in 2005.
- All companies in the Group are limited by guarantee, with the exception of AKSA HA which is limited by shares.
- New Charter Housing Trust, North South and AKSA, (as registered social landlords) are regulated by the Housing Corporation
- Current structure:



## **OUR ACHIEVEMENTS IN 2005/06**

- **Improvement**

Void properties down from 10% in 2000 to 2.7%

Rent collection up from 99.3% to 99.6%

Repair time reduced by 20% from 2004/05

- **Investment**

2,000 central heating systems; 2,124 new kitchens; 2,048 new bathrooms; 1,550 window & door replacements; 295 roof renewals and 4,031 homes repainted

Incorporation of AKSA HA within the Group

Expansion of Building Company external clients

- **Image**

89.7% satisfaction amongst tenants

Development of “Employer of choice” strategies – flexible benefits; performance management; revised pay structure; development of STEP Learning Centre

£3.8m investment in environmental works

- **Involvement**

Development of Regeneration Team – Youth Diversion Project; Community Sporting events; Garden Tool Box, Skills for Life Training

£2m investment in Academy

## **OUR PEOPLE**

- **Employment**

815 employees

State of the art, open plan working environment

Involvement of staff in planning and developing the business

Constructive working relationships with Trades Unions

- **Development**

IIP status

Comprehensive induction programme

Effective, participative performance management process, evidenced by Employee Survey

Modern Apprentice Scheme, (56 in last five years)

4,700 training days delivered to staff, (internal, Further & Higher Education)

Leadership and Management Development Programmes

- **Family**

Family friendly policies, (maternity, paternity & adoption leave)

Final Salary Pension Scheme

Flexible Working availability for all employees

Learning Opportunities, (STEP Learning Centre)

- **Community**

Partnership with a local college in a "Learning Communities" initiative

Working with schools in work experience and business projects

Involvement of Senior Management as School Governors

£2m Academy investment

## **OUR ROLE IN THE COMMUNITY**

We recognise that helping to develop and sustain communities leads to the creation and maintenance of neighbourhoods that are places where people want to live and work, now and in the future.

We structure our work around the following themes:

- Community Safety
- Jobs and Lifelong Working
- Healthy Living
- Social Inclusion
- The Environment

Our commitment is recognised by the creation of a team of 5 people, (with the support mechanisms throughout the Group), and a community funding resource of £400k

We work in partnership with

- Police
- Tameside MBC
- Education establishments
- Primary Care Trust
- Community and Voluntary sector
- Youth Offending Teams
- Sports Development Agencies



## OUR FINANCES

- Until completion of the investment programme, (2010), the Group incurs annual deficits which are underpinned by a £270m, 30 year, syndicated loan facility arranged by the Nationwide Building Society.
- **Key financial performance measures 2005/06**
  - ∨ Group Turnover £46.4m, (9.43% growth)
  - ∨ Deficit £18.0m (as planned)
  - ∨ Fixed Assets £333.8m, (53.8% growth)
  - ∨ Stock base 14,675 units
  - ∨ Investment in stock improvement, maintenance and repair £37.1m
  - ∨ All lenders financial performance covenants overachieved.
- Building Company surpluses used to invest £2m in the New Charter Academy in support of the community sustainability agenda.
- Interest rate exposure managed through a combination of fixed rate loans, (current and forward fixed) and hedging financial instruments.
- Financial planning strategy based on the delivery of efficiencies in management services which are then used to reinforce the wider regeneration agenda.

## OUR STAKEHOLDER PERCEPTION

- **Tenants**

89.7% satisfaction measured through independent survey in January 2006 – the top performance in the country for a large landlord

Increasing involvement in the direction of the business through the business planning process

- **Housing Corporation**

Full set of “green lights” under the formal assessment system, including the highest measure in terms of viability

- **Funders**

Full covenant compliance

Regarded as a “flagship” relationship and highlighted in the Nationwide BS Housing Annual Report

## **OUR FUTURE**

Judicious growth based around:

- **Asset Enhancement**

Stock transfers from other Councils

Acquisitions of smaller Housing Associations

Purchases of properties contributing to overall strategy

- **Partnership Development**

Provision of staff accommodation for Tameside Hospital

Delivery of strategic housing development for other Councils

Expansion of Building Company through external contract work

- **Community Capacity Building**

The New Charter Academy

Money Information Network Tameside (MiNT)

Tenant and Resident involvement