

*PART A

Report to: Cabinet
Date of meeting: Monday 1 December 2014
Report of: Head of Community & Customer Services
Title: To consider the future involvement of Watford Borough Council in the Housing and Regeneration Initiative (HARI)

1.0 **SUMMARY**

1.1 HARI has proved to be a successful partnership over the many years it has existed. We are now in a different economic and housing environment and to that end we need to consider if HARI is still fit for purpose and should continue. The HARI Board has recently considered various options to review the way the HARI Partnership operates, so it is appropriate to consider all options, including termination of the partnership agreement.

1.2 The options considered by the HARI Board were:

1. Continue with HARI, update the constitution, re-focus and re-launch the Partnership. .

2. TRDC and WBC to give written notice of termination , which in-line with the HARI Agreement (copy at Appendix A) dated 09.11.05, means the HARI Agreement will cease on 31.03.16

3. All parties to the HARI Agreement (list at Appendix B), to be solicited to seek their agreement to termination of HARI, with an cessation date of 31.04.15.

4. Another option the Board wishes to propose for consideration.

1.3 The HARI Board on 22.09.14 recommended that HARI should cease either by mutual agreement (No. 3 above) or, failing that, that notice of termination from Watford Borough Council (and Three Rivers District Council) (No. 2 above)

2.0 **RECOMMENDATIONS**

2.1 To agree the termination of the Housing and Regeneration Initiative (HARI) Agreement either by mutual consent or by service of a termination notice

2.2 To delegate any and all future decisions on HARI, including any financial arrangements, to the Head of Community & Customer Services in consultation with the Portfolio Holder for Housing

Contact Officer:

For further information on this report please contact: Alan Gough, Head of Community & Customer Services.

telephone extension: 8600

email: alan.gough@watford.gov.uk

3.0 DETAILED PROPOSAL

3.1 The HARI partnership comprises Watford Borough Council, Three Rivers District Council and the registered providers operating in our two boroughs. The current partnership agreement dates back to 2005 and sets out the role of HARI as maximising delivery of affordable housing, assisting in attracting funding towards strategic housing objectives and assisting in the delivery of housing management related projects. The partnership was established at a time when WBC had access to finances and TRDC had access to land and the case for putting resource into joint working was therefore clear. HARI has proved to be a successful partnership over the many years it has existed. However, we are now in a different economic and housing environment and to that end we need to consider if HARI is still fit for purpose and should continue. There is a legally signed HARI Agreement dated 09.11.05 (Appendix A) which contains a section on Termination (section 6) and must be adhered to.

3.2 HARI underwent a Review in 2013/14 and proposals on the way forward for HARI came forwards from that Review to the HARI Board. Due to various reasons these proposals were never formally agreed and as such the existing HARI Agreement, ways of working etc. all remain as they were prior to the Review.

The momentum for change which was built up throughout much of last year has slowed down. In part, this was due to the departure of the HARI coordinator at the end of 2013. Whilst some temporary cover has been provided with respect to the coordinator and HARI business has continued in recent months, including the holding of the Board meetings and the two sub-group meetings, there has been limited proactive HARI activity taking place. However both Councils have continued to liaise with Registered Providers both on an individual basis and through other forums, and arguably there has been no noticeable or adverse impact on new affordable housing developments or other areas of common interest. This therefore raises the fundamental question of whether or not the HARI Partnership is actually of vital importance to all parties concerned and whether the staffing resources invested by the Councils and registered providers in keeping the partnership functioning could be better deployed on more targeted activities outside of the formal partnership structure.

3.3 Given the above, the opportunity exists to fundamentally consider the way forward for HARI. Sets out below are the various options for consideration and the issues associated with each option.

3.4 Option 1 – HARI to continue, being refreshed and re-launched in line with the Review

The HARI Board commissioned an independent and thorough review of the partnership in early 2013. This was conducted by the Chartered Institute of Housing's

Director of Consultancy and included a series of interviews with a range of partner representatives and a workshop at the 2013 AGM.

Following further consideration and discussion of this study, there were a number of key outcomes –

- a revised 'vision' for the partnership
- the development of four core values to better focus the work of all members
- agreement that the HARI coordinator role be outsourced for up to two years
- changes to the Board composition to provide more balance between LA and RP members
- a revised and more transparent approach to using HARI's financial reserves
- recognition that a new funding mechanism will be required in the medium term in view of changes to the HCA's grant funding of new developments
- a new HARI 'Agreement' including Terms of Reference.

This option would entail maintaining the formal HARI Partnership and pressing ahead with the above outcomes.

3.5 Option 2 – Three Rivers District Council (TRDC) and Watford Borough Council (WBC) given written notice of termination, which in-line with the HARI Agreement, meaning the HARI Agreement would cease on 31.03.16 (the notice is a minimum of 12 months expiring on 31 March in any year)

Agreement of this Option would mean a longer time period for the dissolution of HARI than Option 3, however during this period the existing meeting and other HARI arrangements – such as the Board, Sub Groups, AGM etc – would not be required to occur.

In legal terms this is the simplest way for HARI to cease with least risk implications.

3.6 Option 3 - All parties to the HARI Agreement, be solicited to seek their agreement to termination of HARI, with a cessation date of 31.04.15

Agreement of this Option would mean a shorter time period for the dissolution of HARI than Option 2, however during this period the existing meeting and other HARI arrangements – such as the Board, Sub Groups, AGM etc. – would not be required to occur.

In legal terms this is a more complex and time consuming process as agreement with all signatories would need to be achieved for the cessation of HARI to occur.

3.7 As the HARI Board supported Option 2 or 3 then TRDC are taking an appropriate report through their committees to agree this position. This report is to seek the formal agreement of WBC to progress Option 2 or 3.

4.0 IMPLICATIONS

4.1 Financial

4.1.1 The Shared Director of Finance comments that:

Under option 1 - a one-off contribution from the Council may be required to assist in the re-launch.

Under options 2 and 3 - the Council are unlikely to incur any costs arising from the termination of the agreement. If all parties agree to terminate the HARI partnership, then each party may be entitled to a share of the balance held.

4.1.2 The Fraud Shared Service currently has a Tenancy Fraud Officer funded by the HARI partnership. This is a fixed term post which is funded until March 2016. It is understood that this funding will continue even if Option 3 is chosen.

4.2 Legal Issues (Monitoring Officer)

4.2.1 The Head of Democracy and Governance comments that the HARI agreement can only be terminated by either of the Councils or both giving at least 12 months notice to terminate such notice expiring on 31 March in any year or by the mutual consent of all parties to the Agreement. There are also provisions in the Agreement regarding dividing assets and dealing with any staff employed which would have to be managed once termination was agreed.

4.3 Equalities

4.3.1 There will be no impacts due to HARI ceasing as there will be no policy changes as a result ie. WBC will continue to engage with Registered Providers on all aspects of housing provision and housing development.

4.4 Potential Risks

Potential Risk	Likelihood	Impact	Overall score
<i>More difficult to engage with registered providers locally</i>	2	2	4
<i>Those risks scoring 9 or above are considered significant and will need specific attention in project management. They will also be added to the service's Risk Register.</i>			

4.5 Staffing

4.5.1 No changes to staffing are proposed.

4.6 Accommodation

4.6.1 There are no impacts on accommodation.

4.7 Community Safety

4.7.1 There will be no impacts due to HARI ceasing as there will be no policy changes as a

result ie. WBC will continue to engage with Registered Providers on all aspects of housing provision and housing development.

4.8 **Sustainability**

4.8.1 There will be no impacts due to HARI ceasing as there will be no policy changes as a result ie. WBC will continue to engage with Registered Providers on all aspects of housing provision and housing development.

Appendices

- HARI Agreement dated 09.11.05

Background Papers

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report

- None

File Reference

- None