

# FORWARD PLAN SELECT COMMITTEE

2<sup>nd</sup> December 2009

**Briefing note on Issues included in the Forward Plan Issue 7 2009/2010  
(09 November 2009 to 07 March 2010)**

**SERVICE AREA:** Housing and Community Care

Report ref	Report title
H&CC -09/10- 14	Termination of Middlesex House and Lancelot Housing scheme

## Summary:

This report provides details of a proposed settlement agreement to terminate the current contractual arrangements the Council entered into with Network Housing Association, now Stadium Housing Association.

Stadium Housing Association (Stadium) own and manage properties at Middlesex House and Goodmans Court (Lancelot Road) under a temporary accommodation scheme that was entered into with the Council in the late 1980's. In 2000, the Council and Stadium agreed to enter into a new financial arrangement, which required the Council to continue to provide revised financial contributions to Stadium after the expiry of the leases under a nomination agreement until 2027. As the Council were successful in terminating a similar leasing scheme with Metropolitan Housing Trust (MHT) in March 2009 using social housing grant to provide permanent homes, the Council encouraged Stadium to submit a funding bid to the Homes and Communities Agency (HCA).

Stadium submitted a funding bid to the HCA for social housing grant in order to allow the properties to be converted to affordable housing permanently and for the existing contractual arrangements with the Council to be terminated. The total social housing grant funding bid was calculated in line with average grant rates that the HCA currently supports for new build housing schemes, which was the same approach taken by MHT in their bid for social housing grant.

In order for Stadium to qualify for grant funding, the HCA's grant terms and conditions require them to carry out a programme of works to the properties at Middlesex House so that all of the properties meet the HCA's design and quality standards. Given this, a planning application to carry out a programme of refurbishment works to Middlesex House was submitted and approved by the Planning Committee on 4<sup>th</sup> November 2009. Another condition of the grant is that Stadium will need to offer permanent Assured Tenancies to all of the existing residents at Middlesex House, providing the new accommodation is still suitable for their housing needs. The tenants at Goodmans Court are already permanent Assured Tenants of Stadium and their properties meet the Decent Homes Standard.

The Council and Stadium still needed to reach a financial settlement to meet the remaining costs associated with terminating the scheme after factoring in the refurbishment work costs and the grant that could be provided by the HCA. After several rounds of negotiations, the Council and Network reached an agreement on a financial settlement which represented a better value for money option than is being provided under the current contractual obligations. The report was intended to be presented to the Executive to agree the basis of the financial settlement. and to note that the settlement

**Nature of Decision to be taken/intended outcome:**

- Members agree to the negotiated settlement comprising full and final financial settlement between the Council and Stadium.
- Members authorise the Director of Housing and Community Care to enter into an agreement to effect such a settlement and release the Council from any further financial obligations under the scheme.
- Members agree for the Director of Housing and Community Care to notify the Secretary of State of the settlement and to seek consent for the payment of any agreed sum to Stadium as part of the financial settlement.

**Timescale for decision:**

The report was deferred until November/December, because in October, the HCA informed Stadium that they required further details about the scheme proposals and justification for grant funding. In particular, they were concerned about the amount of grant being requested as the properties at Middlesex House are only being refurbished. The HCA invited Stadium to review the scheme proposals and funding requirement. Stadium have since been revising their proposals and are to jointly meet with the HCA and the Council at the beginning of December to present their new scheme details and funding requirements. The Council will need to consider the revised requirement further in order to ascertain whether a new financial settlement can be reached. If a funding package and a revised settlement can be agreed, it is anticipated that a further report would be presented to Members by February 2010 to consider.

**Contact Details:**

Manjul Shah, Head of Affordable Housing Development

Direct Line: 020 8937 2523

Email [manjul2.shah@brent.gov.uk](mailto:manjul2.shah@brent.gov.uk)