

Appendix 1: Summary of proposals for LSVT amendments

Current key LSVT clauses.	Proposed revision;	Comments/impact
<p><u>Disposal Clawback agreement</u> This agreement (revised in 2011) ensures that proceeds from the sale of dwellings and land are put into a Designated Reserve Account (DRA) to be reinvested in the District.</p> <p>Hyde require our permission to sell properties (which we cannot unreasonably withhold) & to spend the DRA which must be invested in new affordable housing in the district. The DRA currently stands at £1.2m.</p>	<p>Proceeds from all disposals of land and dwellings (including garage and amenity sites) to continue to be put into a ringfenced account for the Chichester District, however, the use of funds to be broadened to include new build, place-making, energy efficiency upgrades and stock investment programmes.</p> <p>Hyde propose that no consent is required from CDC for disposal or spend, with Hyde to provide annual summary accounts to CDC to evidence spend.</p>	<p>This clawback agreement, which was revised in 2011 and is due to expire in 2031, effectively keeps the monies from disposals in the district. Broadening the scope for spend will enable it to be used more effectively, including for energy efficiency programmes, whilst retaining the ringfence to the Chichester district.</p> <p>CDC is unable to unreasonably withhold consent for sale in the current agreement and the process for agreement of sale is seen as cumbersome and introduces delays.</p> <p>The annual reporting will ensure transparency and accountability of the disposal funds.</p>
<p><u>Right to buy (RTB) and Shared Ownership (SO) Clawback agreement</u> This agreement gives the Council a share of all RTB and SO staircasing income.</p>	<p>Following negotiation there will be no change in this position until the agreement expires in 2031.</p>	<p>This income goes directly into the Council's reserves and supports the capital programme. It totals £18.7m since stock transfer. In the last 5 years we have received £2.4m.</p>
<p><u>Various covenants including those relating to promises made to transferring tenants at LSVT</u> This includes: tenancy type, rights of successors, grounds for possession, right to consultation, registered provider status amongst others</p>	<p>Hyde is seeking to be released from all covenants. Their position is that the relevant covenants have either expired or are now protected by statutory protections.</p>	<p>Most covenants in the LSVT have already expired, e.g. rent restrictions which were put in place for 5 years. However, Hyde will be required to retain their registered provider status and we need to ensure that tenants that transferred at LSVT will continue to have the rights that transferred with them. This would include transferring tenants that are decanted for any regeneration, we need to ensure they retain the same type and security of tenure, and rent levels. <i>(We would also seek this assurance for all tenants but they will not have the protection afforded by the LSVT so this will be by negotiation and Hyde may not agree).</i> Advice from</p>

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<p><u>Allocations/nominations agreement</u> This currently gives CDC 100% nomination rights on new builds and 75% on relets, with 25% to Hyde.</p>	<p>Hyde propose an overarching nominations agreement for both existing and new stock: 75% of nominations to CDC on relets and new builds, 25% to Hyde.</p> <p>The Nominations Deed will be varied to reference the Tenancy Standard and bind Hyde to it.</p> <p>All new tenancies in respect of LSVT stock to be offered on a fixed term basis in line with the Council's existing Tenancy Standard and existing arrangements with our other registered provider partners.</p>	<p>Counsel is awaited.</p> <p>This change will allow Hyde to realise their lifecycle homes strategy and to allow them more flexibility in managing their stock.</p> <p>Overall there will be no less social housing in the district, and it is envisaged that many of the relets by Hyde will actually be transferring tenants who would then free up a home to be allocated by CDC.</p>
<p><u>Development of garage sites & amenity land (Non-housing land)</u> Hyde is currently required to seek our approval to develop garage and amenity land, which we cannot unreasonably withhold if it is for social housing. There are two protocols to guide decision making around use of garage sites and amenity land for development. They are not legally binding.</p> <p>Where there is grant paid for a development the Council has 100% nomination rights.</p> <p>There are specific restrictive covenants on individual pieces of amenity land which prevent development.</p>	<p>Hyde will no-longer be required to seek approval to develop garage sites. Proposals will be agreed through a working group and any development or redevelopment will be subject to Planning in the usual way.</p> <p>It is proposed that a delegation is put in place for the Director of Housing & Communities be given delegated powers to lift restrictive covenants on amenity sites (following consultation with the Cabinet portfolio holder) to enable housing to be delivered where a planning permission has been granted.</p> <p>Hyde propose no consent required from CDC for disposal and that any proceeds from disposals of such sites will be ringfenced for reinvestment in the district with spend monitored on an annual basis (as defined above).</p>	<p>Hyde requested that we lift all restrictive covenants en masse for all parcels of land as they wish to use their land flexibly to support the aims in Hyde 2050. They also see the current system which requires a Cabinet report each time a restrictive covenant is lifted as cumbersome and lengthy. This delegation is seen as facilitating that process but retaining the control over use of the land, i.e. on the grant of planning permission for housing. Also it should be noted that the planning system will control any undesirable development in the usual way.</p> <p>Where grant is paid by the Council towards a new development, the Council will still have the power to negotiate the level of nominations.</p> <p>In the past we have asked for a financial contribution when lifting restrictive covenants on parcels of land, however, it seems incongruous to do so when delivery of housing is one of our key aims and Hyde are a registered provider who can access grants from us.</p>

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