



Title: Management of Council's Private Leasing (Empty Homes)
Scheme

Report of: TGHC Head of Neighbourhood Services

Purpose of Report

1. To approve the revised management agreement for Keelman Homes to manage the Private Leasing (empty homes) properties on behalf of the Council.

Background

2. On 14 May 2013, the Board approved the management agreement which enabled Keelman Homes to manage private leased properties on behalf of the Council as part of the Empty Homes programme. The management agreement is subject to an annual review as part of the agreement.
3. In March 2012, the Council secured £245,910 to bring 30 private homes back into use by March 2015, with an additional £189,090 awarded in January 2014. The overall allocation for the programme was £435,000. The properties, which have been empty long term, are leased by the Council for five years and let on flexible tenancies at affordable rents. Leases can be extended by agreement beyond the five years.
4. In March 2015, the Council secured a further £230,000 to extend the programme for another three years to bring a further 30 private properties back into use.
5. We are currently providing housing management services to 19 Empty Homes via Keelman Homes. A further seven properties are due to be handed over in July 2015, which will be part of a supported living scheme for people with low level learning disabilities.

Management Agreement

6. This has been a complicated programme to deliver and we have continued to work closely with the Council to support the work. Although the full target of 30 properties has not yet been achieved, the delivery of the programme is now far more embedded and it was felt timely to review the management agreement and operational arrangements.
7. The revised management agreement is attached in Appendix 1 to this report and the amendments have been highlighted. A summary of the key changes are: -

- Properties will now be brought up to the Leasing lettable standard – this will be TGHC lettable standard plus the properties will be decorated and floor coverings provided
 - New agreement on how the management fees will be agreed annually
 - Clarified more specifically the areas of work that will be fully recharged back to the council plus the 10% admin charges, such as bins, security, decoration allowances, etc.
 - The Council will arrange directly for Construction Services to carry out initial refurbishment work rather than TGHC managing this with Mears. TGHC will accept handover of the property and let once works completed
 - New protocols have been developed around the lettable assessment and delivery of housing management services
8. For the past three years the management fee was to be increased in line with the % rent increase. As the rents are affordable rents and based on the value of the property no rent increases have been applied with the exception of two properties. Therefore the management fee remained at £500 per property per annum.
 9. We have agreed with the Council that increases to the management fee will now be inline with RPI and not rent increases. The first increase will be applied from 2016/17 and annually thereafter.
 10. Performance is reported to the Council on a monthly basis on the key performance indicators and quarterly on a wider agreed set of management information. In addition the Council receive a monthly financial statement on each tenants account.
 11. A separate service level agreement is currently being finalised with the Council`s Adult Social Care and Independent Living service to manage seven one bedroom supported flats at 155 High Street, Wrekenton . The flats have been funded through the Private Leasing (Empty Homes) scheme and are due to be handed over approximately in July 2015. (See Appendix 2)
 12. The refurbishment of the flats has been carried out to a particular specification and will be supported by a part-time concierge who will be managed by Adult Social Care and Independent Living service.
 13. The flats will be allocated and re-let by nominations from the Council`s Support and Accommodation group

Impact on tenants and leaseholders

14. The provision of these additional homes provides customers and tenants the opportunity to access homes to meet their needs and choice to live in Gateshead.

Risk Management Implications

15. The management agreement has a minimum of six months' notice period built into it to ensure an appropriate exit strategy can be agreed to minimise any impact on either organisation or the tenants.

Financial Implications

16. The agreed management fee is £500 per property per year (or pro rata for any proportion of a year that the services are provided to the individual property).
17. The Council also agrees to pay 10% levy on repairs carried out and any legal action undertaken by The Company to cover administration costs.
18. The fees will be reviewed annually by mutual agreement and increased from 2016/17 in line with RPI percentage increase.
19. The income from the management agreement supports the delivery of Keelman Homes business plan

Equality and Diversity Implications

20. All homes will be let in line with Keelman Homes lettings policy to ensure homes are allocated fairly

Health implications

21. There are no direct health implications arising from this report but the supported living scheme at Wrekenton to be introduced this July will assist customers with low level learning disabilities to live independently in the community.

Value for Money Implications

22. There are no VFM implications arising from this report , however the provision of the housing management services will be subject to review to ensure that this is appropriate to the fees being charged to the Council

Environmental Implications

23. Bringing long term empty homes back into use will enable the visual look of properties and estates to be improved once occupied.

Consultation Carried Out

24. Services within the Company , the Council and Legal Services have been consulted on the review of the management agreement

Recommendation

25. The Board is asked to :
 - approve the revised management agreement;
 - receive an annual review of the management agreement including details of the performance management of the Council`s empty homes properties;
 - provide an update to TGHC Board on the provision of housing management services to the Council`s empty homes via Keelman Homes.

Contact: Julie McCartney, TGHC Head of Neighbourhood Services Tel: 0191 433 5304

THE BOROUGH COUNCIL OF GATESHEAD

and

KEELMAN HOMES LIMITED

Contract for the repair and management of empty homes

Legal and Corporate Services
Gateshead Council
Civic Centre
Gateshead
NE8 1HH

DATED this day of 2015

BETWEEN

THE BOROUGH COUNCIL OF GATESHEAD of Civic Centre, Regent Street, Gateshead NE8 1HH (“**the Council**”);

and

KEELMAN HOMES LIMITED (CRN: 06972673) whose registered office is at ~~Keelman House, Fifth Avenue, Team Valley Trading Estate, Gateshead, Tyne and Wear NE11 0XA~~ (“**the Company**”). Civic Centre, Regent Street, Gateshead. NE8 1JN

Background:

The Council has entered into an agreement dated with the Homes and Communities Agency for the provision of grant funding to assist in bringing previously empty properties into use as affordable housing by means of their acquisition, rehabilitation and/or conversion.

The Council contracts with Keelman Homes Limited for the supply of management and repairs services to help facilitate the improvement of approximately 30 such empty homes, and use these to provide customers with an alternative housing option, upon the following terms and conditions:

1. DEFINITIONS

The terms and expressions used in this Contract shall have the following meanings:

“**Authorised Council Officer**” any person(s) duly appointed by the Council and notified in writing to the Company to act as the representative of the Council for the purpose of the Contract

“**Business Day**” any day other than a Saturday, Sunday or a public holiday in England.

“**Commencement Date**”

“**Confidential Information**” any information which has been designated as confidential by either party in writing or that ought to be considered as confidential (however it is conveyed or on whatever media it is stored) including information which relates to the Services, the business, affairs, properties, assets, trading practices, developments, trade secrets, Intellectual Property Rights, know-how, personnel, and suppliers of either party, together with all personal data and sensitive personal data (within the meaning of the Data Protection Act 1998).

“**Contract**” the terms and conditions in this document, together with the annexed Service Specification.

“**Company**” the Company, and where applicable the Company's Employees, sub-contractors, agents and representatives.

“**Contract Manager**” the person named by the Company as Contract Manager in accordance with clause 3.3, and any replacement from time to time.

“**Delivery Instructions**” the instructions provided in the Service Specification and any other information that the Council considers appropriate to the provision of the Services.

“Employee” any person employed by the Company to perform the Contract, which will also include the Company's servants, agents, voluntary and unpaid workers, sub-contractors and other representatives.

“Force Majeure” any cause materially affecting the performance by a party of its obligations under this Contract arising from any act beyond its reasonable control and affecting either party, including without limitation: acts of god, war, industrial action, protests, fire, flood, storm, tempest, epidemic, explosion, acts of terrorism and national emergencies.

“Good Industry Practice” the exercise of such degree of skill, diligence, care and foresight which would reasonably be expected from a skilled and experienced contractor engaged in the supply of services similar to the Services.

“Intellectual Property Rights” patents, inventions, trademarks, service marks, logos, design rights (whether capable of registration or otherwise), applications for any copyright, database rights, domain names, trade or business names, moral rights and other similar rights or obligations whether capable of registration or not in any country (including but not limited to the United Kingdom) and the right to sue for passing off.

“Initial Term” the period of 12 months from the Commencement Date.

~~“Lettable Standard”~~ – change this to “The Leasing Scheme Lettable Standard” – new properties coming into the scheme will be refurbished to a minimum of TGHC lettable standard and in addition, the properties will be decorated and appropriate floor coverings provided in the kitchen and bathroom . The properties going through a re-let process will meet TGHC lettable standard and floor coverings and decoration will be refreshed as required

“Liabilities” all costs, actions, demands, expenses, losses, damages, claims, proceedings, awards, fines, orders and other liabilities (including reasonable legal and other professional fees and expenses) whenever arising.

“Management Fees” the sums payable to the Company under this Contract as more particularly specified at clause 5.1 below.

“Property” any property that is subject to the empty homes scheme and is managed by the Company in accordance with this Contract, together with all of the Property Owner’s fixtures and fittings that are from time to time in or on the Property.

“Property Owner” the owner of the freehold or superior leasehold interest in the Property

“Rechargeable Repairs” costs recovered from a tenant or former tenant for any damage caused to the property by the tenant, any person living with the tenant or their visitors.

“Service Specification” the specification attached to the Contract at schedule 1, setting out the Council's detailed requirements in relation to the Services.

“Services” the services to be supplied by the Company as detailed in the Service Specification.

“Tenancy Agreement” the agreement under which the Tenant occupies the Property.

“Tenant” the person in occupation of the Property from time to time.

1.1 Any reference to a person shall include any natural person, partnership, joint venture, body corporate, incorporated association, government, governmental agency, persons having a joint or common interest, or any other legal or commercial entity or undertakings.

- 1.2 A reference to any statute, order, regulation or similar instrument shall be construed as a reference to the statute, order, regulation or instrument as amended by any subsequent statute, order, regulation or instrument or as contained in any subsequent re-enactment.
- 1.3 The singular includes the plural and vice versa
- 1.4 The index and headings to the clauses and appendices to and schedules of this Contract are for convenience only and will not affect its construction or interpretation.

2. TERM

- 2.1 The Contract shall commence on the Commencement Date, and unless terminated earlier in accordance with clause 6 shall continue for the Initial Term.
- 2.2 The term of the Contract shall automatically extend for a further 12 month period (the “**Extended Term**”) at the end of the Initial Term, and at the end of each Extended Term, unless the Council gives written notice to the Company to terminate this agreement at the end of the Initial Term or the relevant Extended Term.

3. PERFORMANCE OF SERVICES

- 3.1 The Services shall be provided in accordance with the Service Specification
- 3.2 The Council retains the Company for the performance of the Services on a non-exclusive basis.
- 3.3 The Company shall employ a competent and appropriately experienced Contract Manager to act on behalf of the Company for all purposes connected with the Contract.-
- 3.4 The Contract Manager shall attend any meetings where requested to do so by the Council subject to having received reasonable prior notice of any proposed meeting.
- 3.5 The Company shall forthwith give notice in writing to the Council of any change in the identity, address and telephone numbers of the person appointed as Contract Manager.
- 3.6 If the Company at any time becomes aware of any material matter that could affect the performance of the Services, the Company shall inform the Council immediately.

4. WARRANTIES

- 4.1 The Company warrants to the Council that the Services will be provided:
- 4.1.1 in a proper, skilful and workmanlike manner;
- 4.1.2 by a sufficient number of appropriately qualified, trained and experienced personnel with a high standard of skill, care and due diligence and in accordance with Good Industry Practice;
- 4.1.3 in accordance with the Contract;
- 4.1.4 to the reasonable satisfaction of the Authorised Council Officer;
- 4.1.5 in a way that the Company takes every reasonable precaution to safeguard any property that may be entrusted to the care of the Company.

- 4.2 Without prejudice to the Council's rights to terminate under clause 6, if any of the Services supplied are not in accordance with the Contract, the Council shall be entitled to require the Company to provide replacement Services in accordance with the Contract as soon as reasonably practicable and in any event within fourteen days of a request to do so.

5. PRICE AND PAYMENT

— The Council shall pay the Management Fees for the Services to the Company. The management fees have been agreed as detailed below, and will be reviewed annually by 30 March in each year of the Term, and not less than 12 months following commencement of the Agreement. ~~in line with % rent increases for future years~~ The management fees shall be increased annually in line with any RPI % increase ~~If RPI declines in value, the minimum fee charged will be as set out below. in rent for the individual properties, based upon an annual valuation of the market rent for the property. If rents decline in value, the minimum fee charged will be as set out below.~~

- Housing management services of £500 per Property per year, ~~or pro-rata for any proportion of a year the Services are provided to individual properties.~~ ~~The commencement of the management services shall be taken as the date of handover of the individual properties to the Company.~~
 - A lettings fee of £50 per Property to advertise the Property. Alternatively if an estate agent is used with the prior consent of the Council, the Council will reimburse the Company in respect of the estate agent's fees and charges.
 - All actual void repair costs, plus a 10% administration fee. The administration fee for void repairs will be subject to a minimum fee of £50, and up to a maximum of £200;
 - All ongoing repairs and maintenance costs, plus a 10% administration fee;
 - All legal costs incurred associated with the management of the tenancy, plus a 10% administration fee.
 - ~~Any other costs incurred as a result of managing the tenancy and Property, such as but not limited to decoration vouchers, security of the Property or replacement of bins will also be fully recharged back to the Council and will be subject to the 10% administration costs.~~
- 5.1 ~~The Company shall submit VAT invoices to the Council for the housing management service fees, which are payable in four quarterly instalments, in arrears.~~
- 5.2 The Company shall submit monthly invoices to the Council for the payment of all other costs incurred from the management of the properties and tenancies.
- 5.3 Payment of any undisputed invoice will be made no later than thirty days following the date of receipt of the invoice by the Council.
- 5.4 The Council reserves the right to withhold payment of the Management Fee without payment of interest where the Company has either failed to provide the Services at all or has provided the Services inadequately, and any invoice relating to such Services will not be paid until the Services have been performed to the Council's satisfaction.

6. TERMINATION

- 6.1 Subject to the provisions of clause 20, either party may terminate the Contract:
- 6.1.1 upon providing six months prior written notice to the other party; or
 - 6.1.2 upon providing five working days prior written notice in the event that either party is in breach of any of its obligations under this Contract that is capable of remedy and which has not been remedied to the satisfaction of the other party within 14 days (or such other reasonable period as may be specified), and only after issue of a written notice specifying the breach and requesting that it be remedied; or
 - 6.1.3 upon providing five working days prior written notice in the event there is a material or substantial breach by the other party of any of its obligations under this Contract which are incapable of remedy;
- 6.2 The Council reserves the right to terminate the Contract in part, in the case of any breach under clauses 6.1.2 and 6.1.3.
- 6.3 If this Contract is terminated in whole or in part the Council shall be liable to pay to the Company only such elements of the Management Fee that have properly accrued in accordance with the Contract or the affected part of the Contract up to the time of the termination;
- 6.4 The Company recognise the Council's obligations to the Homes and Communities Agency and the need to ensure that any property that is the subject of this Contract is adequately managed. The Company hereby agrees that where it elects to terminate this Contract, it will continue to provide the Services for such reasonable period of time as is necessary to ensure the Council can put suitable alternative arrangements in place.

7. DISPUTE RESOLUTION PROCEDURE

- 7.1 If a dispute arises between the Council and the Company in connection with the Contract, the parties shall each use reasonable endeavours to resolve such dispute by means of prompt discussion at an appropriate managerial level.
- 7.2 If a dispute is not resolved within fourteen days of referral under clause 7.1 then either party may refer it to the chief executive or appropriate nominated officer of each party for resolution, who shall meet for discussion within fourteen days, or such period as the parties may agree.
- 7.3 Provided that both parties consent, any dispute not resolved in accordance with clauses 7.1 and 7.2 shall be referred (within fourteen days of either party requesting mediation) to a mediator appointed by agreement between the parties.
- 7.4 The costs payable following a referral to mediation are to be determined by the mediator.
- 7.5 Nothing in this clause shall preclude either party from applying at any time to the English courts for such interim measures as may be considered appropriate.

8. INSURANCE

- 8.1 The Company shall use all reasonable endeavours to ensure that they maintain the following insurance policies to cover any liability arising under the Contract:
- 8.1.1 employers liability insurance - indemnity limit of £5 million for any one claim

8.1.2 public liability insurance – indemnity limit of £10 million for any one claim

9. INDEMNITY AND LIABILITY

9.1 Neither party seeks to exclude or limit its liability for:

9.1.1 death or personal injury caused by its negligence (but will not be liable for death or personal injury caused by the other party's negligence);

9.1.2 fraudulent misrepresentation;

9.1.3 any other matter in respect of which, as a matter of law, liability cannot be excluded or limited.

9.2 Except as specifically provided, neither party shall in any event be liable to the other for any indirect or consequential loss (including loss of profit, loss of business opportunity, loss of business, loss of goodwill, loss of production and pure economic loss) however caused.

9.3 The Company shall indemnify the Council in full without limit of liability for any direct loss of or damage to the real or personal property of the Council or any third party, including Intellectual Property Rights, or injury claimed by any third party and against all Liabilities awarded against or incurred by the Council (including legal expenses on an indemnity basis) arising from the Company's negligence, any defect or fault in the Services, or any act or omission of the Company in delivering the Services.

10. CONFIDENTIALITY AND PUBLICITY

10.1 Any documents provided by the Council and information which the Company may acquire as a result of the Contract shall to the extent that they are not in the public domain or required to be disclosed by operation of law remain confidential to the Council and shall not be disclosed, disposed of or used for any purpose without prior written consent from the Council.

10.2 All Confidential Information provided by the Council to the Company shall be returned to the Council at the end of the Contract.

10.3 Without prejudice to the Council's obligations under the Freedom of Information Act 2000, or the Environmental Information Regulations 2004, neither party shall make any press announcements or publicise the Contract except with the written consent of the other party (such consent not to be unreasonably withheld or delayed).

10.4 Both parties shall take all reasonable steps to ensure the observance of the provisions of this clause by all of their servants, Employees, sub-contractors, agents, professional advisors and consultants.

10.5 The Company and the Council shall (and shall procure that any of its Employees involved in the provision of the Services) comply with the requirements of the Data Protection Act 1998.

11. FREEDOM OF INFORMATION

11.1 The Council is subject to the Freedom of Information Act 2000 and the Environmental Information Regulations 2004 ("the Acts"). As part of the Council's duties under the Acts, it may be required to disclose information forming part of the Contract to anyone who makes a reasonable request. The Council has absolute discretion to apply or not to apply any exemptions under the Acts.

- 11.2 The Company shall assist and cooperate with the Council (at the Company's expense) to enable the Council to comply with the information disclosure requirements under the Acts and in so doing will comply with any timescale notified to it by the Council.

12. RECORD KEEPING AND MONITORING

- 12.1 In order to assist the Council in its record keeping and monitoring requirements including auditing and national audit office requirements, the Company shall keep and maintain for six years (or such longer time period required in accordance with any specific legislation) after the Contract has been completed, full and accurate records of the Contract including the Services supplied under it, all expenditure reimbursed by the Council, and all payments made by the Council. The Company shall on request allow the Council or the Council's representatives such access to (and copies of) those records as may be required by the Council in connection with the Contract.
- 12.2 The Company will at its own cost, provide any information that may be required by the Council to comply with the Council's procedures for monitoring of the Contract.

13. HEALTH AND SAFETY / CORPORATE REQUIREMENTS

- 13.1 The Company shall comply with all current health and safety legislation and will operate suitable policies and rules including, but not limited to:
- 13.1.1 health and safety;
 - 13.1.2 equality and diversity;
 - 13.1.3 information security;
 - 13.1.4 whistleblowing and/or confidential reporting; and
 - 13.1.5 all site rules relevant to the fulfilment of the Company's obligations in the performance of the Services, which in all material aspects will be the same as the policies and rules adopted by the Council.
- 13.2 The Company shall provide the Council with copies of any of their policies or rules upon request.
- 13.3 The Company shall not unlawfully discriminate within the meaning and scope of any law, enactment, order, or regulation relating to discrimination (whether age, race, gender, religion, disability, sexual orientation or otherwise) in employment.
- 13.4 The Company shall comply with all relevant legislation relating to its Employees however employed including (but not limited to) the compliance in law of the ability of the Employees to work in the United Kingdom.
- 13.5 If the Company has a finding against it relating to its obligations under clause 13.3 it will provide the Council with:
- 13.5.1 details of the finding; and
 - 13.5.2 the steps the Company has taken to remedy the situation.

14. SURVIVAL

The following clauses shall survive termination or expiry of the Contract: clauses 6.3 and 6.4 (Consequences of Termination), Clause 10 (Confidentiality and Publicity),

Clause 11 (Freedom of Information), Clause 12 (Record Keeping and Monitoring), Clause 18 (Severance), and Clause 24 (Law and Jurisdiction).

15. CONTRACT VARIATION

- 15.1 Subject to clause 15.2, no variation or modification to the Contract is valid unless it is in writing, and signed by the Council and the Company.
- 15.2 The Council shall be entitled to issue to the Company in writing or, in case of urgency orally (provided the Council confirms oral instructions in writing as soon as it is practicable), variation orders requiring the addition, suspension, reduction or cessation of provision of any Services and/or the provision of emergency Services in accordance with a revised Service Specification. The Company shall be entitled to charge for the impact of any variation in accordance with any rates used to calculate the Management Fee.

16. THIRD PARTY RIGHTS

This Contract is enforceable by the original parties to it, by their successors in title and permitted assignees. Any rights of any person to enforce the terms of this Contract pursuant to the Contracts (Rights of Third Parties) Act 1999 are excluded.

17. NO WAIVER

- 17.1 Failure by either party at any time to enforce any one or more of the provisions of this Contract or to require performance by the other party of any of the provisions shall not constitute or be construed as a waiver of the provision or of the right at any time subsequently to enforce all terms and conditions of this Contract nor affect the validity of the Contract or any part of it or the right of the parties to enforce any provision in accordance with its terms.
- 17.2 No waiver of any of the provisions of this Contract shall be effective unless it is expressed to be a waiver in writing and communicated in accordance with clause 21 (Notices).

18. SEVERANCE

If any provision of the Contract shall become or shall be declared by any court of competent jurisdiction to be invalid or unenforceable in any way, such invalidity shall not impair or affect any other provision all of which shall remain in full force and effect.

19. ASSIGNMENT, SUB-CONTRACTING AND RESPONSIBILITY

- 19.1 Subject to any express provision of this Contract, the Company shall not without the prior written consent of the Council, assign any benefit, right or interest under this Contract.
- 19.2 The Council shall be entitled to transfer, assign or novate its rights and obligations where required by law.
- 19.3 The Company shall remain responsible and liable for the acts and omissions of any other members of a consortium arrangement, sub-contractors, servants, agents and Employees as though they were its own.

20. FORCE MAJEURE

- 20.1 Neither party shall be liable for failure to perform its obligations under the Contract if such failure results from Force Majeure.

- 20.2 Industrial action by, or illness or shortage of the Company's Employees, agents or sub-contractors, failure or delay by any of the Company's suppliers to supply goods, components, services or materials and breach of the Company's warranties under clause 4 shall not be regarded as an event of Force Majeure.
- 20.3 If the event of Force Majeure continues for more than two months either party may give written notice to the other to terminate the Contract immediately or on a set termination date.
- 20.4 If the Contract is terminated in accordance with clause 20.3 neither party will have any liability to the other except that any rights and liabilities which accrued prior to termination will continue to exist.

21. NOTICES

- 21.1 Any notice required by this Contract to be given by either party to the other shall be in writing and shall be served personally, by fax or by sending it by registered post or recorded delivery to the appropriate address, fax number or email address as notified to each other from time to time.
- 21.2 Any notice served personally will be deemed to have been served on the day of delivery; any notice sent by post will be deemed to have been served 48 hours after it was posted; any notice sent by fax will be deemed to have been served 24 hours after it was despatched and any notice sent by email before 5 p.m. will be deemed to have been served on the day of despatch and otherwise on the following day save where the deemed date of service falls on a day other than a Business Day in which case the date of service will be the following Business Day.

22. ENTIRE AGREEMENT

The Contract constitutes the entire agreement between the parties relating to the subject matter of the Contract. The Contract supersedes all prior negotiations, representations and undertakings, whether written or oral.

23. NO AGENCY OR PARTNERSHIP

Nothing contained in this Contract, and no action taken by the parties pursuant to this Contract, will be deemed to constitute a relationship between the parties of partnership, joint venture, principal and agent or employer and employee. Neither party has, nor may it represent that it has, any authority to act or make any commitments on the other party's behalf.

24. LAW AND JURISDICTION

This Contract shall be governed by the laws of England and shall be subject to the exclusive jurisdiction of the English courts.

Signed for and on behalf of
the Council

Signed:

Name:

Title:

Date:

Signed for and on behalf of
the Company

Signed:

Name:

Title:

Date:

SCHEDULE 1

SERVICE SPECIFICATION

This document comprises the Council's minimum requirements, which shall collectively be referred to as the Services.

A. Council Obligations

The Council will identify potential property owners for the scheme and will, **in consultation with the Company**, carry out an initial assessment (attached at Appendix 1) of the **leasing letting** viability of the property.

Once a Lease has been signed by the property owner, the Council will arrange for the capital refurbishment of the Property to be carried out by the Council's Construction Services. The refurbishment will ensure the property will need to meet the Leasing Scheme's Lettable Standard.

Once the above has been confirmed the Council will:

- ~~• Carry out an initial assessment as to the suitability of the Property in terms of location and type and whether it would meet the objectives of the Empty Homes scheme.~~
- Complete the lease application with the Property Owner to obtain essential details of the Property and identify any non-standard fixtures and fittings. The Council will get written permission from the Property Owner to either remove or an agreement to replace /not maintain any non-standard fixtures and fittings. In the event there are fixed electrical appliances in the property, the Council will request the owner to supply a current PAT test.
- ~~• Forward a copy of the Lease application, along with boundary plans, building regulations and plans for extensions (where applicable), together with copies of any applicable warranties to the Company TGHC Voids team at the same time as any request for an inspection of the property to be undertaken.~~
- ~~• Provide the Company with essential details relating to the Property to enable the Company to set up the new property within their in-house housing management system.~~
- Establish the affordable rent level appropriate to the Property (to be set at 80% of the local average market rent) following consultation with the Authorised Council Officer, and local estate agents / surveyors as appropriate. An annual review and rent increase will be applied in April each year.
- ~~• Advise the Company of the anticipated date that the Property will be ready to let.~~
- ~~• At an appropriate stage in the property refurbishment programme, instruct the Company to advertise the property through Tyne & Wear Homes.~~
- ~~• In addition advertise the Property through the Gateshead Private Landlords' Association's web-site, or other means as deemed appropriate and necessary. These advertisements will direct enquiries to Tyne & Wear Homes.~~

On practical completion of the refurbishment works the Council will:

- ~~• Arrange for a joint inspection of the Property with the Company, with a view to arranging handover of the property to the Company.~~

- Confirm handover of the Property, and provide the Company with essential information and documentation about the ~~refurbished~~ Property; including relevant warranties; manuals; void check and test list; gas and electrical safety, and energy performance certificates.

B. Company Obligations

The Company shall:

1. ~~Inspecting Properties and repair to lettable standard~~ Letting the Properties

- Following instruction by the Authorised Council Officer, the Company will make necessary arrangements to let the ~~for the occupation of the~~ Property.
- ~~• Carry out full gas and electric safety checks within 2 days of request from the Council to assess the condition of utility supplies to the Property and inform the repairs schedule.~~
- ~~• Following completion of gas and electric safety tests, carry out a joint inspection of the Property with the repairs partner, the Authorised Council Officer and/or the Property Owner within 5 days of request at a mutually agreed appointment time.~~
- ~~• Produce a priced schedule of proposed repair works, which will also include any clearance and cleaning of the Property along with a full lock change as standard.~~
- ~~• Send the priced repair schedule to the Authorised Council Officer within 5 working days of the inspection, or within 10 working days for major works. In cases in which no standard costs are available or specialist sub-contractor work is required, then this timescale may be extended as agreed with the Authorised Council Officer.~~
- ~~• Liaise with the Authorised Council Officer to agree the schedule of proposed repair works. The Authorised Council Officer will only consult and agree works with the Property Owner on the initial relet. Any subsequent relets will be carried out by the Company to the published lettable standard, unless structural works or major defects are found to be affecting the Property. Such cases will be referred to the Authorised Council Officer to discuss and resolve with the Property Owner.~~
- ~~• Following instruction by the Authorised Council Officer, arrange for the agreed repair works to be carried out in accordance with the timescale agreed between the Company and the Council. The average target timescales are detailed below.~~
 - ~~○ Minor works - 15 working day target~~
 - ~~○ Major works - 40 working day target~~
- Advertise the Property through Tyne & Wear Homes and let the Property to eligible applicants in line with the Council's lettings policy or consider suitable tenants for the Property. The Property will be advertised at an appropriate point in advance of the expected letting date.
- Carry out an agreed assessment in respect of new prospective tenants prior to commencement of any tenancy, and advise on the rent, service charges and the running costs of the property.
- Sign-up new tenants on a minimum of two year, ~~Fixed-term~~, Flexible Tenancy Agreement, and explain the terms and conditions of the agreement to them, before they sign it. The initial 12 months will be let as an introductory tenancy then as a

flexible tenancy for the remainder of the term. This agreement is to be signed by the Company on behalf of the Council.

- Provide the new tenant with relevant information on the property (**including the relevant EPC**) and any support and advice on moving in. This will include assistance on running their home and services they can access through the Company.
- Assist the prospective tenant (where appropriate) in the completion of relevant housing benefit/housing allowances forms and carry out an initial assessment on their eligibility. Advice will be given on the ~~approx.~~ rent payable and any impacts as a result of welfare reform.
- During the sign-up details of the Tenant's bank account will be taken and a [direct debit](#) ~~standing order~~ application will be completed to ensure payment of the rent and any relevant service charges.
- Tenants will be encouraged to take appropriate contents insurance for the Property ~~through the company or a product on the open market.~~ If the Tenant is claiming housing benefit, then the Tenant will be offered an alternative method to pay the rent until their claim is assessed.

2. Tenancy Management

The Company shall:

- ~~The Company will~~ Undertake all the management duties of a managing agent for the Properties within the empty homes scheme during the leasing period, and will have due regard to the reversionary interest of the Council and the Property Owner. The Properties will be managed in accordance with the tenancy agreement and all relevant statutory provisions.
- Contact the Tenant within one week of the tenancy commencing to confirm all information has been submitted for any relevant housing benefit claim and that rent payments are being made.
- Carry out a Home Welcome visit within the first six weeks of the tenancy commencing to provide any support and advice to the Tenant to ensure they have settled in.
- Collect the rent from the Tenant in accordance with the Tenancy Agreement.
- Pay the Council all rents received in respect of the Property on a monthly basis.
- Provide a dedicated officer to act as a single point of contact within the Company who the tenant can direct any queries relating to the Property.
- Ensure that the tenant complies with the terms of the Tenancy Agreement and will take appropriate action where necessary. Any allegations of a breach of the Tenancy Agreement, including anti-social behaviour complaints will be investigated in line with the ~~protocols and procedures developed for this Leasing Scheme, or, where not in place,~~ the Company's agreed service standards, policy and procedures **and the Empty Homes Initiative protocols**
- Take all reasonable steps to maximise the occupancy of the Properties, **and, as far as the Company's responsibilities lie, minimise the duration of any void periods,** throughout the lease period, **in order to minimise any financial risk to the Scheme Council through loss of rental income and Council Tax liability.**

- Advise Tenants of any increases in rent and service charges, and consult [tenants](#) on any relevant **major** changes to service or management arrangements.
- Notify the Authorised Council Officer in the event of any serious breaches of the Tenancy Agreement or of any unlawful or suspicious acts and circumstances relating to the use or occupation of the Property. This will include where it is suspected the Property has been abandoned.
- **Take all reasonable steps to minimise rent arrears, and to recover any arrears.**
- **Advise** the Authorised Council Officer if the Tenant falls into rent arrears, [through monthly financial monitoring reports](#), and **notify** the Authorised Council Officer where there is an intention to commence possession proceedings for the recovery of the Property.
- Arrange for the commencement of court proceedings as appropriate to recover possession of the Property, unless advised by the Council in writing that such proceedings are not to be pursued.
- **Notify** the Authorised Council Officer where a notice to terminate the tenancy is received from the Tenant. The Company **will arrange for a pre-term inspection of the Property, with the Authorised Council Officer, within the first week of the notice period, or sooner with the tenant's consent. The Company will arrange for re-let works to be carried out within agreed target timescales.**
- **Agreement will be reached with the Authorised Council Officer as to when the property should be advertised. ~~Unless required re-let works dictate otherwise,~~ In most cases advertisements will be during the four week notice period, to minimise the time the Property may be empty. Where major works are required, the Authorised Council Officer will advise on the timescales to advertise the property, once a completion date is known.**

3. Inspections and Routine Repairs and Maintenance

The Company shall:

- Inspect the Property **annually** in order to ensure that it is adequately maintained by the Tenant, and following each inspection, report on any defects found at the Property to the Authorised Council Officer.
- Keep a full record of all property inspections undertaken, all requests by the Tenant for repairs, and all routine repairs and maintenance carried out at the Property.
- **~~Arrange for any initial repairs and refurbishment to the property as directed by the Council~~ Respond to maintenance and repair requests from tenants and arrange for appropriate works to be carried out to the Property in accordance with the Company's service standards, policies and procedures and the Empty Homes Initiative protocols**
- **Take the appropriate action where rechargeable repairs are identified at the pre term inspection and notify the Authorised Council Officer – need to agree how costs will be identified as construction services will be carrying out works**
- Report to the Authorised Council Officer any single repair items over £150 or repeat repairs where **the total** costs exceed £500.

- Ensure that any emergency repairs are carried out in line with the Company's repair arrangements and the Empty Homes Initiative protocols. ~~and inform~~ The Authorised Council Officer will be informed within 24 hours of any major emergency works that have been undertaken and where further works are required.
- Take the appropriate action where rechargeable repairs are identified, either during the tenancy or at the pre term inspection, and notify the Authorised Council Officer
- Take all reasonable steps to recover the cost of Rechargeable Repairs from the tenant.
- Ensure that an annual gas service is carried out, and a gas certificate is issued to the Tenant, with a copy filed within the Company's document management system.
- Ensure that a valid satisfactory five-year periodic electrical certificate is in place for the Property, and is renewed as necessary, with a copy filed within the Company's document management system.
- Ensure that a valid Energy Performance Certificate is in place, and renewed as necessary. It should be available to new or potential tenants, and a copy filed within the Company's document management system.
- In the event that fixed electrical appliances are left by the Property Owner in the Property, ensure that all such appliances receive the appropriate **an-annual** PAT test ensuring a copy of any certificate is provided to the Tenant.
- Notify the Authorised Council Officer where an application is received from the Tenant to alter or carry out DIY improvements, who will assess whether permission can be granted for the requested works.
- Notify the Authorised Council Officer promptly in respect of any information of which the Company become aware which they consider would materially impact on the condition, value and security relating to the Property.
- The Company, jointly with the Council, will be responsible for monitoring the void repair works against the agreed target times for completion and ensuring any void period is kept to a minimum.

5. Financial arrangements

- Comply with all reasonable instructions of the Council from time to time in connection with the management of the Property or any part of it.
- Keep full accounts of the income and expenditure incurred in relation to each Property in such form as the Council shall reasonably require.
- Provide **monthly** statements to the Council on rent, and details of any repairs and maintenance work carried out to the Property.
- Any recovered amounts should be accounted for through adjustment of the monthly request for payment of repairs and maintenance works made to the Council
- Ensure that such accounts are made available to the Council, to enable the Council to respond to request for information from the Homes and Communities Agency, and to any other person who has an estate or interest in the Property ~~upon request~~.

- The Company will request payment for the repairs carried out on voids **on a monthly basis**. The Council agrees to pay for cost of actual works, plus **an** administration fee as detailed at clause 5.1 of the Contract.
- The Company will request payment **for responsive repairs and maintenance**, and any other incurred costs for legal or other costs on a monthly basis. **The Council agrees to pay for these costs, plus an administration fee as detailed at clause 5.1 of the Contract**

6. Performance and Review

- **Fortnightly Regular** meetings **will be agreed and scheduled with** ~~to take place initially between~~ the Authorised Council Officer and The Company to discuss any Tenancy, Property **or other Scheme-delivery** issues.
- Quarterly Performance Reviews should be undertaken by nominated officers from the Council and Company.
- Fees and charges will be reviewed and agreed on an annual basis before the start of the new financial year
- The Council will review and advise the company on the % increases to be applied each year to the affordable rent and any service charges. The Company will ensure tenants receive 28 days' notice of any such increases.

Empty Homes Initiative - Lettability Assessment

<u>Date received by Tyne & Wear Homes inbox</u>			
<u>Completion date target (2 working days)</u>			
<u>Completed by (name)</u>			
<u>Address</u>			
<u>Post code</u>			
<u>Property type</u>			
<u>Communal entrance?</u>	<u>Yes</u>		<u>No</u>
<u>Zoopla checked</u> http://www.zoopla.co.uk/house-prices/	<u>Yes</u>		<u>No</u>
<u>Result of Zoopla check</u>	<u>Average rent</u>		
	<u>Average property price</u>		
<u>Google checked for properties to rent in this street/postcode (only to be done if Zoopla check unsuccessful)</u>	<u>Yes</u>		<u>No</u>
<u>Result of Google check (if required)</u>	<u>Average rent</u>		
<u>Tyne & Wear Homes shortlists checked</u>	<u>Yes</u>		<u>No</u>
<u>Result of Tyne & Wear Homes shortlist check</u>	<u>Demand e.g. low, medium or high</u>		
	<u>Average waiting time</u>		
	<u>Any other info</u>		
<u>Google Maps street view checked</u>	<u>Yes</u>		<u>No</u>
<u>Result of Google Maps check</u>	<u>Parking</u>		
	<u>General standard of properties in the street</u>		
	<u>Is it on a main road?</u>		
	<u>Is it above a shop?</u>		
	<u>Is it on a steep bank?</u>		
	<u>Any other features worth noting</u>		
<u>Date completed</u>			
<u>Date sent to Empty Homes Initiative inbox</u>			

Empty Homes Initiative Protocol Table

<u>Procedure</u>	<u>Protocol</u>
<u>Disabled Adaptations</u>	<u>Disabled adaptations not permitted</u>
<u>Alterations</u>	<u>Alterations not permitted</u>
<u>Abandonment</u>	<u>Process as TGHC, must inform Council when serving NTQ</u>
<u>Changes to Tenancy</u>	<u>Successions are not permitted</u> <u>Assignments as per TGHC process, same documentation but additional Deed of Variation must be completed & Council provided with copies of all documentation</u> <u>Mutual Exchange – as per TGHC process but applicants must be made aware of the Fixed Term Tenancy & how timescales remaining</u>
<u>Rechargeable Repairs</u>	<u>As TGHC process, in addition must inform Council & TGHC Finance Manager so Council can be invoiced</u>
<u>Rent Arrears Collection</u>	<u>As TGHC process, must inform Council prior to serving legal notice</u>
<u>ASB case management</u>	<u>As TGHC process, must inform Council prior to serving legal notice</u>
<u>Temporary / Emergency Rehousing</u>	<u>As TGHC process, Housing Officer & Council must be informed on the next working day after occurs</u>
<u>Use in Occupation</u>	<u>Process as TGHC, must inform Council when serving NTQ</u>
<u>Sign Up</u>	<u>As per TGHC procedure , in addition Takes place at the property</u> <u>One week's rent payable at sign up over phone</u> <u>Varied Specific Forms</u> <u>Fixed Term Flexible Tenancy Agreement</u>
<u>Termination</u>	<u>As per TGHC procedure – in addition Housing Officer carries out Pre Term Inspection & an additional Post Term Inspection prior to going to Voids</u>
<u>Repairs and Maintenance</u>	<u>Report to the Authorised Council Officer any single repair items over £150 or repeat repairs where the costs exceed £500.</u>

Timescales for Repairs

The average target timescales are detailed below.

- Minor works - 15 working day target
- Major works - 40 working day target

Flats 1 to 7 @ 155, High Street , Wrekenton , NE9 7JR

The Gateshead Housing Company (TGHC) and Gateshead Council`s Housing Services

Service Agreement July 2015

This service agreement documents the agreement between TGHC and the Council`s Adult Social Care and Independent Living Service in managing the Council`s Private Leasing (Empty Homes) properties and tenancies at 155 High Street, Wrekenton NE9 7JR.

This separate agreement is in addition to the current management agreement all ready in place between the Council and Keelman Homes to manage all of the Council`s Private Leasing (Empty Homes) Scheme properties

The scheme is seven one bedroom self-contained supported flats and will be supported by a part-time concierge who will be managed by Adult Social Care and Independent Living service. The flats are to be allocated and re-let by nominations from the Council`s Support and Accommodation group

The Tenancy and Estate Management services will be delivered by TGHC

This service agreement will:

- (1) Detail the joint working arrangements between TGHC and Housing Services
- (2) Set out what services will be delivered by TGHC`s
- (3) Set out what services will be delivered by the Housing Services
- (4) Explain the role and responsibility of the Concierge

1. Joint working arrangements between TGHC and Housing Services

- There will be ongoing, regular contact between Housing Services and TGHC to ensure there are links between the Housing Officer, Concierge and Tenants (and /or their support workers) to resolve any tenancy or repair matters
 - .Meetings will be held quarterly at a minimum to discuss any issues relating to the tenancies and properties
 - Carry out joint inspections bi-annually of communal areas and the individual flats
 - Develop a set of FAQs for tenants` support worker to assist them in managing their client`s tenancy
 - Housing Services will provide TGHC with copies of the following before handover is agreed :
 - I) relevant risk assessments
 - II) details of relevant specifications
 - III) cyclical maintenance details and arrangements
-

2. Services delivered by TGHC

- Deliver Tenancy and Estate management services
- Deal with all enquires relating to the tenancy , including anti-social behaviour , rent and income collection and repairs for the individual flats and the communal areas
- Carry out accompanied viewings for all new lets
- Carry out the pre termination inspections prior to tenants moving out
- Arrange the sign up for new tenancies , giving the new tenant and their support worker the choice of location i.e.: either at the property or at the housing office
- Liaise with housing services / concierge / support workers on any issues that may arise regarding tenancy and estate management matters

3. Services delivered by the Housing Services

- Senior Housing and Independent Living Outreach worker to ensure the scheme has appropriate concierge cover.
- Senior Housing and Independent Living Outreach worker to supervise concierge
- Liaise with TGHC on any issues that may arise.
- Support and Accommodation group to nominate new tenants for the scheme
- To provide TGHC with details of support and contacts for each new tenant
- To conduct relevant risk assessments of the communal areas
- To carry out fire alarm testing

4. Role and Responsibilities of the concierge

- To provide overnight sleep in cover as required by the service, maintaining the safety and security of the building (weekends 24/7 and weekdays 5pm – 10am)
- To supervise tenant and visitor access to and from the building.
- To ensure the security of the building by monitoring CCTV and patrolling at regular intervals.
- To carry out light cleaning duties in the office and communal areas in line with the cleaning specification and assist with refuse collection.
- To identify defects in relation to weekly/monthly building checks and report to TGHC.
- Report out of hours emergency maintenance defects to TGHC
- To assist tenants out of hours to report any repairs.
- To maintain full and accurate log of event's during the shift. Complete verbal/written handovers.
- To act as a first point of contact in an emergency situation within the service and take appropriate action i.e. contacting the emergency services and informing relevant professionals.
- To participate in ensuring compliance with Gateshead Council's Health and Safety Policy and Procedures.
- To communicate effectively with tenants and professionals.
- To undertake appropriate training to meet the identified needs of the service as agreed with the line manager

- To operate within clear professional boundaries and within Gateshead Council's code of conduct.

- To act as a point of contact for tenants when on duty.
- To work flexibly on a rota, including weekends and public holidays.
- To undertake any other appropriate duties as directed by the line manager.
- To report any Safeguarding issues through the appropriate channels.

5. Signing the agreement

_____ **Head of Neighbourhood Services ,
Customer and Communities , TGHC**

_____
Housing Services, Gateshead Council

Date _____