

APPENDIX B

Commitments Agreement

Existing Fixed Commitments and Agreements for renewal (where needed) and inclusion:

1) The Transfer Agreement

This includes:

- a) The provisions giving effect to the transfer of the Council's housing stock and Housing service including the covenants made with YCH to comply with the promises made to tenants before stock transfer. This includes the transfer of properties, the housing staff, lists of assets transferred to YCH, leases, licences, for premises and assignment of contracts relating to the stock.
- b) Warranties and indemnities from the Council to YCH to enable it to obtain the funding it needed to deliver on the consultation promises. These warranties and indemnities will continue to benefit the new organisation.
- c) Supplemental Agreements between the two parties governing the relationship post transfer. These are
 - The **Nomination Rights Deed** that gives the Council nomination rights to 75% of YCH lettings (of the stock transferred in 2003) via its allocation scheme. The new organisation is bound by this commitment and a light touch refresh of this agreement is now required.
 - The **Housing Agency Agreement** relating to the management of the waiting list. The new organisation is bound by the terms of this agreement however it is time limited. YCH have agreed that this commitment is extended for a minimum of 5 years.
 - The **Garage Sites Maintenance Agreement**. This agreement is for YCH to manage various garage sites owned by the Council in exchange for rental income. The new organisation is bound by this agreement however it is time limited. It is recommended that a light touch refresh of this agreement is now required.
 - The **Legal Services Agreement**. The original agreement made at stock transfer was superseded by a new agreement in 2012. The agreement is for the Council to provide legal services to YCH around Right to Buy Sales and Possession Actions. The new organisation is bound by this agreement but it is time limited. YCH are unable to indefinitely extend this agreement due to procurement rules but have agreed to extend this agreement for a further 2 years.

- The **Pension Clauses** within the transfer agreement and the **Pension Admission Agreement and Guarantee**. These agreements. These agreements include the Council guaranteeing YCHs pension liabilities in the event of a default. External legal advice has been commissioned by the Council to ensure that pension funding agreements between YCH, NYCC and the Council going forward are framed in such a way as to ensure the merger does not result in any financial detriment to the Council and that the Council does not risk any additional financial exposure

2) The Deed of Covenant

This includes:

- A requirement on YCH to carry out and pay for **minor disabled adaptations** up to a certain financial limit. This work is currently undertaken by the Council's Home Improvement Agency on YCHs behalf but paid for by YCH. This requirement to pay for such works will be transferred to the new organisation however the wording within this now needs a light touch refresh.

It also includes;

- A requirement on YCH not to change its constitution without agreement from the Council (which cannot be unreasonably refused) and;
- A requirement on YCH to allow the Council to nominate three Council representatives on its board. This element of the deed shall need to be removed fully in the Councils approves the merger and constitution or amended to reflect the requirements of the new regulations.

Additional Proposed Commitments for Inclusion with a new agreement

In order to safeguard the interests of residents and the Council going forward it is also proposed that a range of other 'commitments' are included within a form of agreement.

These reflect both 'red lines' set down by YCHs Board and the proposed benefits of the merger, along with commitments as to how the new organisational will work in partnership with the Council.

1) The new organisation produces a **Development Strategy** that;

- Ensures the additional development capacity (a proposed benefit of the merger) happens.
- Ensures that the development capacity of the new organisation is targeted in such a way that is broadly proportionate to the housing needs of the two local authority areas.

- Ensures that a range of needs and tenures is met (for example the provision of specialist and supported accommodation where a need is identified).
 - An expectation that the development strategy is broadly in line with the Councils own current and future housing strategy.
 - Includes provision for regular and on-going dialogue and liaison with the Council to ensure that the supply of new homes is maximised and opportunities for shared and joint initiatives around housing growth are maximised.
 - Ensures that the new organisation is the Councils key strategic partner.
- 2) The new organisation has a strong **Commitment to Place** that ensures that:
- A commitment toward the localised provision of front line services including the continued provision of offices in Scarborough and Whitby is retained.
 - A commitment to ensure that there is senior officer presence within the Borough
 - A commitment to ensure that the new organisation plays its part in existing multi agency partnership arrangements aimed at tackling anti-social behaviour, crime and vulnerability. Roles and responsibilities for which shall be set out within new joint protocols with the Council.
 - A commitment toward the use of local contractors, local suppliers and a local workforce.
 - The new organisation has a strong commitment toward supporting the Council's Housing and Homelessness Strategies and plays its part in meeting the needs of the Borough.
 - The new organisation works with the Council on a range of measures to improve the living environment/ public open space for YCHs residents.
- 3) The new organisation commits to **Liaison agreement** with the Council. This shall ensure that:
- There quarterly formal liaison arrangement established between the new organisation and the Council that shall include senior officer and board/ Portfolio Holder representation.
 - In addition operational liaison arrangements (around development, the housing waiting list and housing management related issues) shall become formalised.
- 4) In addition the agreement commits to the Council to working with the new organisation in all the areas identified above.