

Southend-on-Sea Borough Council

**Agenda
Item No.**

Report of Deputy Chief Executive (People)

To

Cabinet

On

12th March 2019

Report prepared by: Glyn Halksworth, Interim Director of
Housing

South Essex Homes Housing Management Partnership Agreement

Relevant Scrutiny Committee: Policy & Resources

Cabinet Member: Councillor Cox

Part 1 (Public Agenda Item)

1. Purpose of Report

- 1.1 This report sets out officer recommendations for the extension of the existing Partnership Agreement between Southend Council and South Essex Homes and the continued development of the successor Agreement, together with timescales for this work.

2. Recommendations

- 2.1 That Cabinet agrees the extension to the current Partnership Agreement between Southend-on-Sea Borough Council and South Essex Homes and to concurrent development of a new agreement as detailed below.
- 2.2 That a new Housing Management Partnership Agreement is placed before Cabinet in September 2019 for approval.

3. Background

- 3.1 South Essex Homes (SEH) was originally set up as an Arms-Length Management Organisation (ALMO) on 24th October 2005 in order to provide the management of Southend's Council housing and related services on behalf of the Council and its tenants. The original agreement was predicated on ensuring that local residents live in homes meeting the Decent Homes Standard and that they receive high quality services, including neighbourhood management and tenancy support. SEH is one of a large number of ALMOs established for this purpose since 2002 and is an active member of the National Federation of ALMOs which currently represents 31 organisations across the England.
- 3.2 When the original agreement was drawn up, SEH was a single purpose organisation. The agreement therefore covered not only the core housing management services required, but also the overall relationship between the Council as sole shareholder and the Company. Since then however the company has expanded its remit to provide additional services to other areas of

the Council and to other organisations, both in its own name and through its commercial subsidiary South Essex Property Services. These additional services are subject to their own contractual arrangements.

- 3.3 As part of the *Housing, Homelessness and Rough Sleeping Strategy 2018-28* that was endorsed at the November Cabinet on 6th November 2018 and adopted by The Council on 13th December 2018, it was agreed that a new Housing Management Partnership Agreement with South Essex Homes would be developed. The current Partnership Agreement has been in place since 1st April 2016 and runs until 31st March 2019, following Cabinet's agreement to a three year extension of the original agreement. This Agreement requires that any significant changes are subject to a 6 month notice period. The current Agreement can also be extended.
- 3.4 Work has been underway for several months to develop a new Housing Management Partnership Agreement, with SEH and Southend Council jointly commissioning work towards this. This has led to a set of aspirations held by both parties based on mutuality, trust, and transparency. A new Agreement has also been drafted but requires further development in order to reflect ongoing work to implement the ambitions of Southend 2050 and those of the Housing, Homelessness and Rough Sleeping Strategy 2018-28.
- 3.5 The opportunity has also been taken to remove the shareholder related clauses from the partnership agreement. These will be instead included in a separate Shareholder Agreement to be presented to the Council's Shareholder Board in the autumn. The Shareholder Agreement will set out how the relationship between the Council as shareholder and owner and SEH as a whole, independent of the separate agreements for the provision of services back to the Council.
- 3.6 It is proposed that a new Housing Management Partnership Agreement is developed which provides an initial five-year term with an option for a further five-year extension and that this takes account of the aspirations, ambitions and innovation required by Southend 2050 and the evolving housing business demands for both organisations, enabling the deepening of existing collaborative working and expansion where mutually beneficial.
- 3.7 It is anticipated that the final agreement will be submitted to Cabinet for approval in autumn 2019, pending which it is recommended to exercise the option available under the current Partnership Agreement and agree an extension to the existing Agreement with South Essex Homes. The timescales for the different stages are as indicated below:

Seek agreement to continued development and extension of current agreement	12 th March 2019
Continue development of new Partnership Agreement in line with Southend 2050, etc.	March-June 2019
Finalise new Partnership Agreement	July-August 2019
Return to Cabinet for approval	September 2019
New Partnership Agreement in operation	1 st October 2019

4. Other Options

- 4.1 Other available options would be to reach agreement between the Council and SEH over the current draft of the new agreement. This would neither fully assimilate the requirements imparted through any Better Queensway partnership developments nor fully align with the Southend 2050 Outcome Delivery Plans as both areas of work remain in development.

5. Reasons for Recommendations

- 5.1 As outlined above SEH provide vital services on behalf of the Council and its tenants and as such it is of importance that the agreements in place between the organisations are progressive, robust and in line with the ambitions set by Southend Council on behalf of local people through Southend 2050. This includes the role which SEH will undertake towards the delivery of the 2050 outcomes, along with its continued focus on the core business of managing Council housing in the borough. In order that the new Housing Management Partnership Agreement effectively translates the above actions and ambitions into a useful contract that can support both organisations' roles further time is required to incorporate recent and emerging developments. In order to allow for this use of the available extension to the existing agreement is required.

6. Corporate Implications

- 6.1 **Contribution to the Southend 2050 Road Map**
The work to be delivered via the Council and South Essex Homes contributes not just to the housing outcome under *Safe & Well*, but also contributes more broadly to the themes of *Pride & Joy* and *Active & Involved* through the extensive work with tenants and around community development and inclusion; through *Safe & Well* outcomes relating to community safety, wellbeing and quality of life; and fundamentally across all the outcomes through the provision of 6,000 homes locally where people can live and thrive.
- 6.2 **Financial Implications**
The budget for the 2019-20 Partnership Agreement has already been agreed and the actions recommended above are not anticipated to impart any change in this respect. The development of a new Housing Management Partnership Agreement fully aligned to other priority programmes for Southend Council and supported through strong partnership governance will ensure that optimum value for money is attained.
- 6.3 **Legal Implications**
The current Partnership Agreement requires that in lieu of a successor Agreement either notice is provided or an extension granted. The above recommendations are in line with these requirements.
- 6.4 **People Implications**
None at this stage.
- 6.5 **Property Implications**
The recommendations of this report will support the proper management of the Council's housing stock.

- 6.6 Consultation
None at this stage.
- 6.7 Equalities and Diversity Implications
None at this stage.
- 6.8 Risk Assessment
Risks are routinely monitored through the Partnership Agreement and this will continue to be the case through effective governance as the new Agreement is developed and implemented.
- 6.9 Value for Money
The proposals within this report are consistent with the Council's plans to continue to improve value for money within the services it offers.
- 6.10 Community Safety Implications
The recommended approach will secure continued delivery of the community safety role undertaken by SEH and seek to further strengthen this and align it with the Southend 2050 outcomes.
- 6.11 Environmental Impact
None at this stage.
- 7. Background Papers**

None
- 8. Appendices**

None