

Southend-on-Sea Borough Council

Report of Director of Housing Development

To

Shareholder Board

On

4th November 2019

Report prepared by: Glyn Halksworth, Director of Housing
Development

Agenda
Item No.

South Essex Homes Housing Partnership Agreement and Member Agreement

1. Purpose of Report

- 1.1 To update the Shareholder Board on work undertaken between Southend Council (the Council), its specialist advisors and South Essex Homes (SEH) to draft new agreements to govern the relationship between the Council and SEH and to seek agreement to adopt these.

2. Recommendations

- 2.1 That the Shareholder Board agrees to the newly drafted Partnership and Member Agreements being adopted to govern the relationship between the Council and South Essex Homes and refer these for approval by Cabinet accordingly.

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 housing management and related services related to Southend Council's housing stock.
- 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 (SEPS). These additional services are subject to their own contractual arrangements.
- 3.3 The new agreements have been drafted with expert advice from Trowers and Hamblins LLP and Altair and propose to replace the single existing

- management agreement with two separate agreement, a Partnership Agreement and Member Agreement.
- 3.4 The new form of Partnership Agreement will be more output-based than the current Management Agreement. This reflects not only the need to update the provisions but also the fact that the relationship between the Council and SEH is a mature one and is to be based on partnership principles. The agreement now also includes SEPS as a party in order for there to be a single point of contractual reference.
 - 3.5 The Member Agreement is intended to encapsulate the parent/subsidiary relationship between the Council and SEH. SEPS is not a party to this agreement (as it is not a direct subsidiary of the Council) however clauses contained within the Agreement allow for assurance that business decisions that might be reached in respect of SEPS are consistent with the interest of the Council.
 - 3.6 The Agreements are more fully outlined in Appendix 2, itself the Appendix to the Cabinet paper that will be placed before Cabinet on 5th November.

4. Appendices

- 4.1 Appendix 1 – Cabinet report, 5th November, **South Essex Homes Partnership & Membership Agreement Renewal**
- 4.2 Appendix 2 - **Report on the proposed new Partnership Agreement between Southend-on-Sea Borough Council and South Essex Homes and South Essex Property Services and the Member Agreement between Southend-on Sea Borough Council and South Essex Homes**