

# Southend-on-Sea Borough Council

Agenda  
Item No.

Report of Deputy Chief Executive (People)

To

Cabinet

On

5<sup>th</sup> November 2019

Report prepared by:  
Glyn Halksworth – Director of Housing Development

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## South Essex Homes Partnership & Membership Agreement Renewal

Relevant Scrutiny Committee: Policy and Resources Scrutiny Committee  
Cabinet Members: Councillor Ian Gilbert

### Part 1 (Public Agenda Item)

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#### 1. Purpose of Report

- 1.1 To update members on the progress in drafting new agreements Partnership and Management Agreements for South Essex Homes in order to replace the existing Management Agreement.

#### 2. Recommendations

- 2.1 That the Board notes progress and agrees to the agreements being recommended to Cabinet for adoption.

#### 3. Background

- 3.1 The arrangement South Essex Homes has been in place since 24<sup>th</sup> October 2005 and, as part of the *Housing, Homelessness and Rough Sleeping Strategy 2018-28* that was endorsed at the November Cabinet on 6<sup>th</sup> November 2018 and adopted by The Council on 13<sup>th</sup> 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 1<sup>st</sup> April 2016 and, following an extension agreed by Cabinet, ran until 31<sup>st</sup> March 2019, following Cabinet's agreement to a three year extension of the original agreement. A subsequent extension was granted at Cabinet in March 2019 and the existing Management Agreement remains in force.
- 3.2 Southend Council has contracted Trowers and Hamlin, a specialist housing legal advisory firm, and Altair, a specialist housing consultancy, to support the development of the new agreements required to ensure that the appropriate governance is in place between the Council and South Essex Homes

- 3.3 Following a series of negotiations involving officers of South Essex Homes, Southend Council and the aforementioned expert advisers, drafting of the new agreements has now concluded. In accordance with the requirements of the Housing Act 1985, a section 27 notice was also issued to tenants of South Essex Homes notifying them of the intention to renew the management agreements and providing the opportunity for them to comment or feedback on this. Only 9 response were received. An overview of the key points covered in the new agreements is provided at appendix 1.
- 3.4 In drafting the new agreements it was identified as beneficial to have both a Partnership Agreement and a Member Agreement. The Partnership Agreement will be more output-based than the current Management Agreement. This reflects not only the need to up-date the provisions but also the fact that the relationship between Southend-on-Sea Borough Council and South Essex Homes is a mature one and is to be based on partnership principles. The agreement now also includes South Essex Property Services (SEPS) as a party in order for there to be a single point of contractual reference. The Member Agreement is intended to encapsulate the parent/subsidiary relationship between the Council and South Essex Homes. SEPS is not a party to this agreement (as it is not a direct subsidiary of the Council).
- 3.5 The Agreements are each proposed for a term of 5 years from the date of signing, with options to extend for further terms of 5 years written into the agreements.

#### **4. Other Options**

- 4.1 As it is not a statutory requirement to renew the existing Management Agreement and to replace it with the proposed Partnership and Member Agreements, the existing Agreement could be further extended if required. The proposed approach is feel to better reflect the needs of both organisations,

#### **5. Reasons for Recommendations**

- 5.1 The recommendation is made on the understanding that the new draft Agreements better reflect the mature nature of the relationship between both parties than the existing Management Agreement, and better capture the required outputs. Moreover, it is believed that the new agreements better equip both parties to ensure that the partnership is able to progress and deliver high quality housing management and related services to existing tenants. This will be achieved through better client management of South Essex Homes by Southend Council, and will support the delivery of better value for money and better 2050-orientation. The re-organisation of the relationship that these Agreements describe will additionally allow joint exploration of opportunities available to South Essex Homes and South Essex Property Services to take on new work in keeping with the 2050 outcomes.

#### **6. Corporate Implications**

##### **6.1 Contribution to the Southend 2050 Road Map**

Having a new set of Agreements in place will contribute to a number of 2050 outcomes, including the Safe and Well outcomes of **“We are well on our way to ensuring that everyone has a home that meets their needs”** and **“We act as a green city with outstanding examples of energy efficient and carbon neutral buildings”**.

Southend’s *Housing, Homelessness & Rough Sleeping Strategy* aims to provide ‘decent high quality, affordable and secure homes for the people of Southend’ and the development and purchase of affordable contributes to this.

## 6.2 Financial Implications

Budgets for South Essex Homes are set as part of the HRA Budget papers separately agreed by cabinet. These new Agreements and their associated oversight, including open-book, will contribute to this budget setting and enable longer-term planning.

## 6.3 Legal Implications

Legal requirements to issue a s.27 notice have been met, as indicated at 3.3 above. Drafting of the Agreements has been undertaken by Trowers and Hamlin LLP, in agreement with Southend Council’s own legal services team.

## 6.4 People Implications

There are no people implications identified although it is intended that the joint work to deliver the agreement will lead ensure a retained focus on the delivery of high quality housing management and tenant facing services.

## 6.5 Property Implications

The Agreements relate substantially to the management of the Council’s housing stock and will seek to ensure this is delivered safely and efficiently at all times.

## 6.6 Consultation

Consultation has taken place with tenants as indicated at 3.3 and 6.3. As the Agreements do not materially alter the services that will be provided, rather they ensure that these are delivered that this is effectively overseen by robust client management, further tenant consultation is not required.

## 6.7 Equalities and Diversity Implications

No equality assessments are required as no services are being changed.

## 6.8 Risk Assessment

Risk register and issue logs will be used as part of the client management of the delivery of the Agreements.

## 6.9 Value for Money

All spend in relation to the delivery of the Agreements will be overseen through the open book process agreed therein.

## 6.10 Community Safety Implications

Management of anti-social behaviour is a fundamental part of housing management and covered within the Partnership Agreement and associated performance monitoring.

## 6.11 Environmental Impact

Environmental efficiency of the council's housing stock is a key work area that will be pursued through the delivery of the Partnership Agreement. Key projects will be jointly identified for delivery within the term of these agreements.

## 7. Background Papers

Cabinet Report, *Housing, Homelessness and Rough Sleeping Strategy*, 6<sup>th</sup> November 2018

Cabinet Report, *South Essex Homes Housing Management Partnership Agreement*, 12<sup>th</sup> March 2019

## 8. Appendices

Appendix 1 *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, Trowers & Hamlin LLP*