

Southend-on-Sea City Council

Report of Director Regeneration & Growth (Interim)

To
Shareholder Board

On
22 February 2023

Report prepared by: Emma Lindsell Director Regeneration &
Growth (Interim)

Agenda
Item No.

Porters Place Southend-on-Sea LLP and Better Queensway Update

Cabinet Member: Councillors Stephen George & Ian Gilbert

Part 1 Public Agenda Item

1. Purpose of Report

To provide a Better Queensway and Porters Place Southend-on-Sea LLP (Limited Liability Partnership) update to Shareholder Board following the successful business combination between Swan Housing and Sanctuary Housing groups in February 2023.

2. Recommendations

- 2.1 That Shareholder Board note the contents of this report.
- 2.2 That a further update report be provided when Swan/Sanctuary and the Porters Place Southend-on-Sea LLP (the LLP) Board have identified next steps regarding Better Queensway.

3. Background

- 3.1 On 8th November 2022 Shareholder Board recommended that the council grant a change of control request from Swan Housing (Swan) which proposed a business combination or merger with Sanctuary Housing (Sanctuary). The council confirmed its agreement to the change of control request in writing to Sanctuary on 22nd November 2022.
- 3.2 The business combination was somewhat delayed but was confirmed on 8th February 2023. Swan Housing is now a subsidiary of Sanctuary Housing.
- 3.3 The business combination means that Swan Housing remains the council's partner in the LLP but that it has greater business and financial strength as a subsidiary of Sanctuary, a much larger and more robust housing association. To represent this new relationship the report will refer to the post business combination organisation as Swan/Sanctuary.

- 3.4 Swan/Sanctuary has confirmed that its current development pipeline will be reviewed and it will provide the LLP and council a view regarding the timeline for Better Queensway in the coming months. Swan/Sanctuary has indicated that it will be able to identify next steps working with the LLP Board by March 2023.
- 3.5 The council set December 2023 as the deadline for receipt of the revised business plan for Better Queensway. Based on informal discussions with Swan/Sanctuary the revised business plan is expected to be made available for council review over the summer. If the business plan is not in line with the objectives and outcomes as set out in the original scheme and legal agreement the council may consider Swan/Sanctuary to be in breach of agreement.
- 3.6 Swan has notified the LLP of the resignation of their board members and Swan/Sanctuary is expected to notify the LLP Board of replacements imminently. Board members on the council side are the Executive Director Growth & Housing and Head of Corporate Procurement; a third council board member identification process is underway.
- 3.7 It is anticipated that the removal of the Queensway footbridge will commence as soon as the LLP board is able to decide the timeline for the future programme of the Better Queensway scheme.

4. Other Options

- 4.1 There are currently no options for Shareholder Board to consider. The council will consider options on receipt of a revised business plan should the business plan not deliver on the objectives and outcomes as set out in legal agreements.

5. Reasons for Recommendations

This update for Shareholder Board captures the latest position with regards to the LLP and the Better Queensway project. A further update will be provided when Swan/Sanctuary and the LLP have identified next steps and a timeline regarding Better Queensway.

6. Corporate Implications

6.1 Contribution to the Southend 2050 Road Map & Corporate Plan

- 6.1.1 Contributions to Southend 2050 remain the same as the Shareholder Board report from 8th October 2022.

- 6.1.2 The project contributes strongly to two priorities in the Corporate Plan
- A city delivering genuinely affordable housing – the project delivers new homes on the edge of the city centre which are of good quality and deliver environmental sustainability improvements
 - A city with a good quality of life – the project delivers new parks and open spaces, and enhances connectivity between Queensway and the city centre, these enable people to stay active and make positive active travel choices.

- 6.2 Financial Implications
There are no financial implications relating to this report
- 6.3 Legal Implications
There are no legal implications relating to this report
- 6.4 People Implications
There are no legal implications relating to this report
- 6.5 Property Implications
There are no property implications relating to this report. The acquisitions programme will recommence when Swan/Sanctuary and the LLP Board can provide clarity on timeline and next steps.
- 6.6 Consultation
There is no consultation relating to this report. Residents will be informed that the business combination has been successful in the coming weeks.
- 6.7 Equalities and Diversity Implications
There are no equalities and diversity implications related to this report
- 6.8 Risk Assessment
The key risk relating to this report is that decisions by the LLP may be slowed as Swan board members have resigned and no replacements have been identified. To mitigate this risk the council will request that Swan/Sanctuary nominate replacement board members in time for a March Board meeting.
- 6.9 Value for Money
There is no value for money consideration related to this report
- 6.10 Community Safety Implications
There are no community safety implications related to this report
- 6.11 Environmental Impact
There are no environmental impacts related to this report

7. Background Papers

8th November 2022 Shareholder Board - Porters Place Southend-on-Sea LLP:
Change of Control

8. Appendices

None