

Report to:	EXECUTIVE
Relevant Officer:	Neil Jack, Chief Executive
Relevant Cabinet Member :	Councillor Neal Brookes, Cabinet Member for Housing and Welfare Reform Councillor Ivan Taylor, Chairman of the Shareholder's Advisory Board
Date of Meeting:	2 November 2020

REVIEW OF BLACKPOOL COASTAL HOUSING MANAGEMENT AGREEMENT

1.0 Purpose of the report:

- 1.1 To consider the recommendation of the Shareholder's Advisory Board following the outcome of the recent evaluation of the performance of Blackpool Coastal Housing Limited (BCH), in respect of its role as the Council's Arms Length Management Organisation (ALMO), managing Council housing on behalf of the Council.

2.0 Recommendation(s):

- 2.1 That the Council retains Blackpool Coastal Housing Limited as an Arms Length Management Organisation to manage Council homes and a variation to the current agreement be made to permit this to happen from 1 April 2021 for a period of 5 years.
- 2.2 That the Head of Legal Services be authorised to sign on behalf of the Council any necessary documentation to enact the resolution.

3.0 Reasons for recommendation(s):

- 3.1 The Housing Quality Network report and the Shareholder's Advisory Board in making its recommendation concluded that:
- Blackpool Coastal Housing delivers high quality services meeting the Council's objectives and work closely with the Council to deliver its wider strategic priorities. The working relationship between Blackpool Coastal Housing is generally positive at every level.
 - Given this overall positive picture, there is no advantage in considering options which distance housing provision from the Council, such as passing management to an

established housing association.

- For Councils with ALMOs the question is whether overall the benefits of retaining the current arrangements outweigh any long-term benefits of bringing the service back in house. Even if they do there is a further question as to whether such long-term benefits outweigh the short-term upheaval that would accompany such a change.
- While there is no reason to suppose the service would necessarily worsen if brought in-house, there was no reason to take the risk that it might do so.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

4.0 Other alternative options to be considered:

4.1 There are two alternatives available to the Council, both of which were considered by the Shareholder's Advisory Board.

- 1) Bring the service back in house
- 2) Further outsource the service (i.e. stock transfer)

The Shareholder's Advisory Board concluded that the evidence supported retaining the ALMO as the best option for the Council

5.0 Council priority:

5.1 The relevant Council priority is: "Communities: Creating stronger communities and increasing resilience".

6.0 Background information

6.1 Blackpool Council chose to deliver the management of its Council homes from January 2007 through a wholly-owned arm's length management organisation (ALMO), Blackpool Coastal Housing (BCH). At the time, managing Council housing through an ALMO was the preferred option of the Council and tenants following consultation.

- 6.2 From the Council's perspective the ALMO option allowed access to the additional funding on offer, while retaining control of the stock, which is seen as a core municipal asset. The new company was set up as a company limited by guarantee and a management agreement was signed between the Council and Blackpool Coastal Housing. The agreement is time limited and is due to expire at the end of March 2021.
- 6.3 The Housing Quality Network (HQN) was commissioned to undertake the review in January 2020 and this was completed in March 2020. The full and final report from Housing Quality Network was presented to the Shareholders Advisory Board, with their recommendations. Their recommendations included a number of longer term aspirations as to explore options as to how Blackpool Coastal Housing and Blackpool Housing Company could work in a more connected manner in the future and updating the management agreement. These recommendations were endorsed by the Shareholders Advisory Board for further consideration and reports will be brought to future meetings of that Board for onwards recommendation to the Executive as to how they can best be implemented.
- 6.4 At its meeting on 20 October 2020, the Shareholders Advisory Board agreed to recommend the Executive to retain Blackpool Coastal Housing as the Arms Length Management Organisation for Council homes for at least the next five years. This recommendation is brought straight to Executive as there is a degree of urgency, the current arrangements expire in March 2021 and obviously both the Council and Blackpool Coastal Housing need to put arrangements in place in advance of that date.
- 6.5 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 None.

8.0 Financial considerations:

8.1 None at this stage.

9.0 Legal considerations:

9.1 Legal advice has been taken and a variation can be undertaken to the current Management Agreement to extend the length of the agreement, as long as it is in place prior to the 31 March 2021.

10.0 Risk management considerations:

10.1 The Council's agreement with Blackpool Coastal Housing is due to end in March 2021 and a decision needs to be taken prior to that date provide surety to Blackpool Coastal Housing from both a business and staffing perspective

11.0 Equalities considerations:

11.1 None.

12.0 Sustainability, climate change and environmental considerations:

12.1 None.

13.0 Internal/external consultation undertaken:

13.1 The Chair and Chief Executive of Blackpool Coastal Housing have been provided with informal feedback on the recommendations of the Shareholder's Advisory Board and the HQN review.

14.0 Background papers:

14.1 None.

15.0 Key decision information:

15.1 Is this a key decision? No

15.2 If so, Forward Plan reference number:

15.3 If a key decision, is the decision required in less than five days? No

15.4 If **yes**, please describe the reason for urgency:

16.0 Call-in information:

16.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

16.2 If **yes**, please give reason:

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

17.0 Scrutiny Committee Chairman (where appropriate):

Date informed: N/A

Date approved: N/A

18.0 Declarations of interest (if applicable):

18.1

19.0 Executive decision:

19.1

20.0 Date of Decision:

20.1

21.0 Reason(s) for decision:

21.1

22.0 Date Decision published:

22.1

23.0 Executive Members in attendance:

23.1

24.0 Call-in:

24.1

25.0 Notes:

25.1