

## NOTTINGHAM CITY HOMES

REPORT OF THE COMPANY SECRETARY &  
SOLICITOR

THE BOARD  
20 NOVEMBER 2008

### COMPANY SECRETARY'S REPORT - REVIEW OF THE MANAGEMENT AGREEMENT

#### 1 SUMMARY

1.1 This report is prepared to update the Board on the following:-

##### The Management Agreement

Nottingham City Homes (the "Company") was incorporated on 22 November 2004 and entered into a Management Agreement ("the Agreement") with Nottingham City Council ("the Council") to deliver landlord services to the Council's tenants and leaseholders.

Under the current terms, the Agreement will expire on 31 March 2011.

This report is to update the Board on the joint discussions to:-

- 1) Extend the term of the Management Agreement to bring it in line with the Council's longer term proposals for regeneration in the City.
- 2) Broaden the scope of the Agreement to ensure that the Company remains a significant and active partner in the Council's regeneration proposals.

#### 2 RECOMMENDATIONS

It is recommended that:

2.1 That the Management Agreement for the delivery of landlord services be extended to the end of the financial year 2012/13; and

2.2 Confirm proposals to extend the scope of the Agreement

#### 3 REPORT

##### 3.1 The Management Agreement

Under the current terms of the Agreement, it is scheduled to expire on 31 March 2011.

The Company's Asset Management Strategy agreed by the Council's Executive Board in December 2007 confirmed a detailed investment plan through analysing the scale of works required to the housing stock and how this work should be carried out in order to achieve the required standard by the end of the 2012/13 financial year. This is beyond the current timescale of the Management Agreement and therefore there is a need to align the duration and scope of the Agreement with the Asset Management Strategy.

The Council's Executive Board met on 21 October 2008 and agreed to extend the expiry date of the Agreement to 2013 to align it with the revised target for decent homes completion. The Board is also recommended to agree to the extension of time which is critical for the delivery of services and the Decent Homes programme.

The Council is also keen to ensure that the scope of the Agreement is revised to build on the Company's strategic role as one of the City's major strategic partners in particular to take into account the Company's contribution towards the Sustainable Community Strategy, the Council Plan, Local Area Agreement and the development and implementation of Strategic Regeneration Frameworks.

This process will be achieved by the development of a working group comprising of officers and legal teams from both the Council and the Company.

In terms of implementation, the extension of the Agreement is delegated to the Portfolio Holder Neighbourhood Regeneration on behalf the Council and the Chair of the Board acting on behalf of the Company, Council officers including the Director of Legal and Democratic Services and the Company's officers and legal advisers. It is anticipated that this process will take place over the next three months.

The review of the scope of the Management Agreement itself will be a longer term project involving officers and legal teams from both the Council and the Company. It is proposed that this review will be completed within the next twelve months.

#### **4 OTHER OPTIONS**

4.1 Not applicable.

#### **5 FINANCIAL AND RISK IMPLICATIONS**

5.1 This will be considered as part of the review of the Agreement.

5.2 The extension of time of the Agreement is critical for service planning and delivery of the Decent Homes programme.

5.3 Extending the scope of the Agreement will strengthen the financial viability of the Company.

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## **6 IMPLICATIONS FOR NOTTINGHAM CITY HOMES OBJECTIVES**

- 6.1 Management Agreement - An extension of the Agreement and the revisions to the scope of the Agreement will enable the Company to deliver high quality services to its customer base

## **7 VALUE FOR MONEY AND EFFICIENCY ISSUES**

- 7.1 Management Agreement - Full consideration will be given to the value for money implications in the revision process.

## **8 EQUALITY AND DIVERSITY IMPLICATIONS**

- 8.1 Management Agreement - The report identifies proposals for the extension and review of the Management Agreement. Full consideration will be given to equality and diversity implications in the revision process.

## **9 Background material and published documents referred to in compiling this report**

- 9.1 Nottingham City Council Executive Board Report (Nottingham City Homes Asset Management Strategy) - 18 December 2007
- 9.2 Nottingham City Council Executive Board Report (Nottingham City Homes Management Agreement) – 21 October 2008
- 9.3 Nottingham City Homes Board Report - 18 September 2008

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