

## **DERBY HOMES MANAGEMENT AGREEMENT**

Report of the Chief Executive of Derby Homes

### **1. SUMMARY OF REPORT**

This report provides a brief introduction to the purpose and content of the Management Agreement between Derby Homes and Derby City Council.

### **2. RECOMMENDATION**

The Committee is asked to note the report and the actions taking place to renegotiate the Management Agreement.

### **3. MATTER FOR CONSIDERATION**

- 3.1 The Management Agreement is a legal mechanism, a form of Contract by which Derby Homes operates as an agent of Derby City Council. The Agreement was supplied as a template by the Department of Transport and Local Regions (DTLR), now the Department of Communities and Local Government (DCLG), in 2002 when Derby Homes was set up.
- 3.2 The current Agreement is due to expire in April 2007. A six month notice period applies. Notice has been received from the Council that they wish to extend the contract for a further five years, and the existing conditions will apply until a new contract is agreed.
- 3.3 The Management Agreement is set out in 74 clauses, divided into 15 parts comprising: partnering arrangements, performance responsibilities, strategic responsibilities, functional and operational responsibilities, responsibilities and rights and the financial arrangements both for Derby Homes, Derby City Council and those which are jointly held, specific issues relating to employment and staffing, monitoring and management and tenant management organisations. Further clauses detail life of the agreement, and clear instructions as to how it will be extended or varied.
- 3.4 The Agreement operates under English law and appertains to the relevant sections of the Local Government Act. The Council is the local housing authority for its area according to Section 1 and 2 of the Housing Act 1985 and pursuant to the Act provides housing and exercises management of that housing stock. Section 27 of the Housing Act 1985 and Section 2 of the Local Government Act 2000 provide that the Council may with Secretary of State approval delegate functions to a third party. The activities are as specified within the Management Agreement.

- 3.5 The Agreement sets out and defines when and how functions should be completed and by whom. Officers of each organisation have specific tasks to perform. Severe non-compliance could result in the Agreement being terminated. The Agreement also provides for individual functions to be removed if this is felt appropriate in the event of poor performance. The mechanism to address issues on either side is the Annual Delivery Plan, which includes Derby Homes performance targets, and the series of meetings which support it, such as the Agreement Monitoring meetings.
- 3.6 The discussions on any changes to the new Management Agreement have been overseen by the HRA Strategic Working Party. The Agreement needs up-dating and re-editing in respect of changes to legislation and the introduction of new policies and procedures since it was originally developed. Derby Homes has commissioned Anthony Collins Solicitors to update the contract and to incorporate proposals for improving the contract. The changes will include:
- working in neighbouring counties of Derbyshire, Staffordshire, Leicestershire and Nottinghamshire
  - payment of Derby Homes' fee into Derby Homes' bank account
  - inclusion in Derby Homes' fee of repairs and capital budgets.
- 3.7 An officer working party is to meet on 13 November 2006, to review the issues and report back to the HRA Strategic Working Party on 18 December 2006. Given agreement at these meetings a report will then go to Derby Homes Board and the Council for final approval. The aim is that the new contract will be approved and operational from April 2007.

## **6. LEGAL AND CONFIDENTIALITY IMPLICATIONS**

Legal implications are as contained within paragraph 3.4.

**The areas listed below have no implications directly arising from this report**

- Consultation
- Financial and Business Plan
- Personnel
- Environmental
- Equalities Impact Assessment
- Health & Safety

**If Board members or others would like to discuss this report ahead of the meeting please contact the author, or the Chief Executive, [phil.davies@derbyhomes.org](mailto:phil.davies@derbyhomes.org) - Tel 01332 711010**

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**Background Information:** None.

**Supporting Information:** None.