

## **SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 5th February 2018  
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**WARD(S):** All  
**PORTFOLIO:** Cabinet Member for Corporate Finance & Housing, Cllr Nazir

### **PART I** **KEY DECISION**

#### **ESTABLISHMENT OF TRADING PARTNERSHIP WITH OPSL**

##### **1 Purpose of Report**

To update Cabinet, that in accordance with the cabinet paper requirements of the 18<sup>th</sup> September 2017, officers are developing a business case and structure for the Trading Partnership (TP) in conjunction with OPSL . Officers are finalising a draft of an appropriately worded legal agreement so as to implement operations and seek where appropriate to utilise retained 1-4-1 RTB receipts for the benefit of delivering modular units and small site development.

##### **2 Recommendation(s)/Proposed Action**

2.1 The Cabinet is requested to resolve that:

- (a) That the business case set out in Appendix A, and indicative programme for the first 12 months (5.2) be approved.
- (b) That the Service Lead Governance, following consultation with the Cabinet Member for Corporate Finance and Housing and Leader of the Council, be authorised to seek the incorporation of the Trading Partnership and to complete all necessary procedures for this purpose.
- (c) That authority be delegated to the Service Lead Governance and Service Lead Neighbourhoods, following consultation with the Leader and Cabinet Member for Corporate Finance & Housing, to confirm the governance arrangements and complete and agree the Articles of Association and Shareholder Agreement.
- (d) That the TP continuously report back to RMI Strategic Management Board which consists of Contract Administrator (Neighbourhood Service Lead), Strategic Director, Place & Development, Cabinet Member for Corporate Finance & Housing and OPSL.
- (e) That the Section 151 officer sanction any financial support including the use of retained 1-4-1 RTB receipts or pump priming investment by HRA or GF to facilitate Trading Partnership start up so as to deliver work programmes.

### 3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

#### 3a. Slough Joint Wellbeing Strategy Priorities

The establishment of the Trading Partnership will help improve the quality and standards of housing within the borough, through delivering repairs, maintenance and investment services to the private sector with the potential in the future to move to small scale development, remodelling and modular housing for the private and public sector. The profit share will generate income that the council can reinvest in its services and communities.

#### 3b. Five Year Plan Outcomes

Establishing a trading partnership with OPSL will contribute to the following 5 Year Plan outcomes:

- Our children and young people will have the best start in life and opportunities to give them positive lives.
- Our people will become healthier and will manage their own health, care and support needs.
- Slough will be an attractive place where people choose to live, work and visit.
- Our residents will have access to good quality homes.

It is well established that having a stable, attractive home has a significant impact on a person's health and well-being. Establishing a trading partnership will offer an opportunity to increase the quality and quantity of housing for Slough's residents.

### 4. Other Implications

#### (a) Financial

The successful operation of the TP represents another opportunity for the Council to utilise scarce financial resources to meet the needs of its residents. As investment projects and developments are put forward through the TP, they will accordingly need to be evaluated on a project by project basis to ascertain their financial viability, their impact on the Council's finances, and their ability to maximise the 'Slough pound'.

#### (b) Risk Management

Recommendation from section 2 above	Risks/Threats/ Opportunities	Current Controls	Using the Risk Management Matrix Score the risk	Future Controls
(a) That the business plan set out in Appendix A, and indicative programme for	Risk is that OPSL and SBC do not agree on terms of TP or projects. Opportunity is	TP is a contractual offer by OPSL Governance	6 (Management inc contractual	Governance measures in place as part of RMI

<p>the first 12 months (5.2) be approved.</p>	<p>considerable support to addressing accommodation needs for Homeless households</p>	<p>measures in place as part of RMI</p>	<p>risk – Marginal impact, Low probability</p>	
<p>(b) That the Service Lead Governance, following consultation with the Cabinet Member for Corporate Finance &amp; Housing and Leader of the Council, be authorised to seek the incorporation of the Trading Partnership and to complete all necessary procedures for this purpose.</p>	<p>Risk is that OPSL and SBC do not agree on terms of TP.</p>	<p>Service Lead Governance instruct Trowers &amp; Hamlin to adapt established framework of legal document to SBC requirements</p>	<p>6 (Management inc contractual risk – Marginal impact, Low probability</p>	<p>Governance measures in place as part of RMI</p>
<p>(c) That authority be delegated to the Leader and Cabinet Member for Corporate Finance &amp; Housing, in consultation with the Head of Legal Services to confirm the governance arrangements and complete and agree the Articles of Association and Shareholder Agreement</p>	<p>Opportunity is engagement with members from the outset and continued involvement with Cabinet member as part of governance</p>	<p>Governance measures in place as part of RMI include Cabinet Member</p>	<p>6 (Management inc contractual risk – Marginal impact, Low probability</p>	<p>Governance measures in place as part of RMI include Cabinet Member</p>

<p>(d) The TP report back continuously to RMI Strategic Management Board which consists off Contract Administrator (Neighbourhood Service Lead), Strategic Director, Place &amp; Development, Cabinet Member for Corporate Finance &amp; Housing and OPSL</p>	<p>Opportunity to ensure core business of RMI not adversely affected by TP</p>	<p>Governance measures in place as part of RMI include Cabinet Member Strategic Director and Neighbourhood Service Lead</p>	<p>6 (Management inc contractual risk – Marginal impact, Low probability)</p>	<p>Governance measures in place as part of RMI include Cabinet Member Strategic Director and Neighbourhood Service Lead</p>
<p>(e) The Section 151 officer sanction any financial support including the use of retained 141 RTB receipts or pump priming investment by HRA or GF to facilitate Trading Partnership start up so as to deliver work programs</p>	<p>Risk is that TP enter into Projects that are not viable or under resourced</p> <p>Opportunity is that retained 141 RTB receipts are fully utilised to provide homes for homeless households</p>	<p>Initial sanction of pump priming investment is based on outline of viable program of projects.</p> <p>That each project is assessed individually for viability and has a program mapped out for assessment of resources and presented to SBC finance team for approval.</p> <p>That ongoing monitoring of each project to establish that viability of achieving outcomes is</p>	<p>2 (Economical / Financial risk – negligible impact. Low probability)</p>	<p>Governance measures in place as part of RMI include Cabinet Member Corporate Finance &amp; Housing, Strategic Director – Place &amp; Development and Neighbourhood Service Lead</p>

		offered as continual update		
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(c) Human Rights Act and Other Legal Implications

There are no Human Rights Act Implications.

Other legal implications are set out in paragraph 7, of the Business Case attached as Appendix A.

(d) Equalities Impact Assessment

There are none

## 5 Supporting Information

- 5.1 Further to the Cabinet meeting of 18th September 2017, a draft business case for the Trading Partnership has been developed and is attached a Appendix A.
- 5.2 The intention is for the Trading partnership's indicative work programme for the first 12 months to be:
- Modular Homes for provision of affordable housing for residents of Slough focused on offering accommodation for homeless households and Key Workers. There are 7 initial sites identified for evaluation and presentation or proposal to Cabinet. These are:
    - 173-190 Lodge Farm Estate (Weekes Drive)
    - 18-43 Quantock Close
    - Broom House & 155-173 / 5050-520 Churchill Road
    - 427-470 High Street Langley
    - 33-63 Borderside
    - 64-110 Borderside
    - 67-80 Goldsworthy Way
  - A Home Improvement, Repairs and Maintenance incentive offer to private landlords so as to prevent homelessness and also to incentivise homeless households

- To offer Handy Person scheme, Home Improvement Services (including aids & adaptations) so as to support SBC initiatives for early hospital release, safeguarding and care
- The roll out an offer to owner occupiers for Home Improvements, Gas Servicing, Out-of-Hours call out and Repairs & Maintenance.

5.3 The Trading Partnership, will report to the Strategic Management Board of the RMI. The latter is in turn part of the Council's scrutiny process.

## 6 **Comments of Other Committees**

None

## 7 **Conclusion**

7.1 The recommendation in this report is to establish a trading partnership with OPSL and agree the work programme for the first 12 months. The company would be run by its Directors but their decision making would be constrained by a Shareholders Agreement which would define the limits the Council and OPSL wish to place on the ability of the Directors to make decisions and in particular the decisions that would need shareholder consent.

## 8. **Appendices**

8.1 The following appendices contain exempt information and are included in Part II of the agenda

Appendix A – Business Case for Trading Partnership

## 9. **Background Papers**

None