

**BOROUGH OF POOLE**

**COUNCIL**

**21 FEBRUARY 2008**

**POOLE HOUSING PARTNERSHIP LIMITED (PHP) MANAGEMENT FEE,  
DELIVERY PLAN AND POOLE HOUSING REVENUE ACCOUNT (HRA) CAPITAL  
PROGRAMME 2008/9 AND REVIEW OF THE MANAGEMENT AGREEMENT  
BETWEEN THE BOROUGH OF POOLE AND PHP: REPORT OF THE  
PORTFOLIO HOLDER FOR WELLBEING AND HOUSING**

**1. PURPOSE**

- 1.1 To seek Members' approval for the Management Fee to be paid to Poole Housing Partnership in 2008/9 the HRA Capital Programme and Delivery Plan targets for 2008/9 and the revenue of the Management Agreement between the Borough of Poole and Poole Housing Partnership Limited.

**2. DECISIONS REQUIRED**

- 2.1 That Council be recommended to approve:-

- (i) That, should Council have approved the HRA budget and rent setting for 2008/9 the Annual Management Fee to Poole Housing Partnership be £8,057,000;
- (ii) That the Delivery Plan targets proposed by PHP for 2008/9 detailed in Appendix A to the Report be approved;
- (iii) That subject to Council approving the HRA Capital Programme, the detailed HRA Capital Programme as shown in Appendix B to the Report, be approved;
- (iv) That the proposed changes to the Management Agreement between the Borough of Poole and PHP as shown in Appendices C, D and E to the Report be approved; and
- (v) That the PHP Business and Delivery Plan at Appendix F to the Report, be noted.

**3. BACKGROUND/INFORMATION**

- 3.1 Cabinet considered this issue at its Meeting on the 5<sup>th</sup> February 2008.
- 3.2 As you are aware Poole Housing Partnership Limited (PHP) is the Council's Arms Length Management Organisation (ALMO) established by the Council to

bring its housing stock up to decent home standards and to manage the Council's housing stock on its behalf. The Management Fee paid to Poole Housing Partnership is for the management and maintenance of its properties based upon the income to the Housing Revenue Account less the appropriate direct costs.

- 3.3 The Delivery Plan and the targets proposed by PHP for 2008/9 are also before you this evening as it is on the basis of the proposed Delivery Plan that the Council agrees a Management Fee which allows Poole Housing Partnership to deliver its Plan.
- 3.4 I would ask you to approve the recommendations, the Report to Cabinet is enclosed.

**Councillor Ms Atkinson**  
**Portfolio Holder for Wellbeing and Housing**

**COUNCIL – 21<sup>ST</sup> FEBRUARY 2008**

**BOROUGH OF POOLE**

**CABINET**

**5TH FEBRUARY 2008**

**POOLE HOUSING PARTNERSHIP (PHP) MANAGEMENT FEE, DELIVERY PLAN AND  
HOUSING REVENUE ACCOUNT (HRA) CAPITAL PROGRAMME 2008/9 AND THE  
REVIEW OF THE MANAGEMENT AGREEMENT BETWEEN THE BOROUGH OF POOLE  
(BOP) AND PHP.**

**PART OF PUBLISHED FORWARD PLAN: Yes**

**1. PURPOSE AND POLICY CONTEXT**

- 1.1 The purpose of this report is to seek members' consideration for the following proposals on behalf of PHP the Council's Arms Length Management Organisation:  
The management fee to be paid to PHP in 2008/09, HRA Capital programme, Delivery Plan targets for 2008/9 and the review of the Management Agreement between the BoP and PHP.

**2. MATTERS FOR CONSIDERATION**

- 2.1. Subject to Members agreeing the HRA budget and rent setting for 2008/09, Members are asked to agree the annual management fee to PHP of £8,057,000.
- 2.2. Members are asked to agree the Delivery plan targets proposed by PHP for 2008/09 as shown in appendix A.
- 2.3. Subject to Members agreeing the HRA capital programme Members are asked to agree the detailed HRA capital programme as shown in appendix B.
- 2.4. Members are asked to approve the proposed changes to the Management Agreement between the Borough of Poole and PHP as shown in appendices C, D and E.
- 2.5. Members are asked to note the PHP Business plan and delivery plan at Appendix F

**3. BACKGROUND**

- 3.1. The Council has entered into a five year management agreement with Poole Housing Partnership (PHP) for them to manage the Council's housing stock , administer capital investment for the Council and manage the Council's Housing revenue account.
- 3.2 The management agreement requires PHP to provide an annual delivery plan for the Council to consider . The delivery plan should set out; performance against the standards set in the previous twelve months , action plans where performance has not achieved the target, performance targets for the next twelve months, the proposed capital investment programme funded from

Council resources but administered by PHP and a resourcing plan for the proposed capital works. The delivery plan can also propose service improvements and enhancements for the Council to consider.

- 3.3 On the basis of the proposed delivery plan the Council agrees a management fee to be paid to PHP to deliver the said plan.

#### **4. Business and Delivery Plan 2008/09 and Poole Housing Partnership performance**

- 4.1. Appendix A contains the performance measures covering the PHP activity. The appendix covers the local indicators proposed by PHP as well as the new national performance indicators. Current performance is included as well as BVPI upper and lower thresholds and CPA thresholds.
- 4.2. Current performance covers the first half of 2007/8. Therefore, it is difficult to advise Members on the targets set next year in relation to current performance. As PHP is required to provide an annual report to the Council each year and does so to the November meeting of Community support overview Group it is suggested that Members consider the targets set for 2008/9 against year end performance and revise them at that stage of the year in agreement with PHP if necessary.
- 4.3. Appendix F contains the Business plan and delivery plan as presented by PHP as agreed by their Board.

#### **5. Housing revenue account capital programme 2008/9.**

- 5.1. Members will have considered the Housing revenue account capital programme as part of the budget setting process. Subject to Members agreeing the overall capital programme as presented in the budget report members are asked to agree the detail of the programmes set out at appendix B.
- 5.2. The table below is a summary of the total number of properties that will receive capital investment in 2008/09 and 2009/10:

<u>Year</u>	<u>Kitchens</u>	<u>Bathrooms</u>	<u>Boilers</u>	<u>Heating</u>	<u>Wiring</u>
<u>2008/09</u>	<b>538</b>	<b>518</b>	<b>97</b>	<b>55</b>	<b>215</b>
<u>2009/10</u>	<b>298</b>	<b>327</b>	<b>278</b>	<b>68</b>	<b>108</b>

#### **6. Review of the Management Agreement between the BoP and PHP**

- 6.1. It has been agreed between officers at PHP and the Council that there is a need to make changes to the sixth schedule of the Management Agreement which relates to Financial arrangements. It is proposed that the paragraph relating to a performance related management fee is removed as this has never been used. It is proposed that a new paragraph is inserted to reflect the change in approach to setting the management fee, as explained in the Budget and rent setting report at Community Support Overview group on 15<sup>th</sup> January 2008. It is also proposed that the timescale for PHP to inform the Council of its required fee is brought forward from January to December,

dependant upon the Government subsidy determination being made in time. These proposed changes are shown in appendix C.

- 6.2. In respect to clause 18 of the Management agreement that relates to Variations to tenancy agreements, it is proposed that a further clause (18.1) is added to this section to provide further clarity. The proposed additional clause is shown in appendix D. The additional clause makes clear that any variation in policy that affects the tenancy agreement or any changes to the tenancy agreement itself requires the ALMO to carry out consultation with residents, prior to seeking approval from the Council for the proposed changes and prior to implementing the changes.
- 6.3. It is recommended that a change is made to clause 6.1 of the Management Agreement that relates to Future Delivery Plans. Discussions have taken place between the Borough of Poole and PHP regarding the need to bring forward the timetable for agreeing the budgets and Delivery Plan each year. At present the budget setting timetable for PHP is not in line with the rest of the Council and there is a need to make this consistent and bring the timetable forward. The Government's Housing Revenue Account subsidy determination is normally released in December each year and it has been agreed that PHP should be submitting the Delivery plan in December when the indicative figures are known. The proposed changes to clause 6.1 are shown in appendix E.

**Simon Hendey: Head of Housing and Community services**