

AGENDA ITEM 8

REPORT TO COUNCIL

25TH JANUARY 2017

REPORT OF SENIOR MANAGEMENT TEAM

CONSOLIDATION OF THE THIRTEEN HOUSING GROUP

SUMMARY

The Thirteen Group was created in April 2014 following the merger of two locally based housing groups (Vela and Fabrick). Within the existing Thirteen Group structure there are four subsidiary registered provider landlords including Tristar Homes Limited.

Since the establishment of Vela and more recently Thirteen, £50m has been investment into the borough through property improvement/investment and the delivery of much needed new affordable homes. Over recent years the operating environment for all Registered Housing Providers has changed significantly and in order to deliver savings and greater efficiencies Thirteen now propose to consolidate the current group structure to create a single landlord. The new landlord will retain the name Thirteen and will own and manage the groups services and 34,000 properties.

A report was submitted to Cabinet on 19th January regarding the giving of consent to change Tristar Homes Limited (THL) Articles of Association that will then enable THL to transfer its engagements (assets and liabilities) to Thirteen and for THL to then be dissolved

This report asks Council to note Cabinet's report and decisions regarding the proposals for Tristar Homes Limited and the arrangements for giving the Council's consent to the restructuring plans.

RECOMMENDATIONS

It is recommended that:-

1. The report to Cabinet and Cabinet's decisions regarding the proposals for Tristar Homes Limited and the arrangements for giving the Council's consent to the restructuring plans are noted.

DETAIL

1. A copy of the report to Cabinet on 19th January is attached as an **Appendix** to this report to Council. A copy of Cabinet's decision record will also be provided separately, when available **(to follow)**.
2. Cabinet's report provides details regarding the proposals for the Thirteen Group to consolidate the existing landlord group structure to form a single Registered Provider. The report outlines that the proposed changes to the structure are intended to streamline operations and enable a more efficient use of resources to support existing services to tenants, ongoing property investment programmes and enable

the ongoing development of new housing within the local area that will address local needs.

3. Council is asked to note Cabinet's report and decisions regarding the proposals for Tristar Homes Limited and the arrangements for giving consent to the restructuring plans.
4. As the report to Cabinet outlines, the decision to give consent to the restructuring is an executive (Cabinet) function, not a Council function.

COMMUNITY IMPACT IMPLICATIONS

5. The consolidation proposals detailed within the Cabinet report are aimed at driving out financial efficiencies that will enable Thirteen to continue to invest in both property and tenant services within the Borough. They are a key strategic partner of the Council in terms of the development of new affordable homes and in supporting the Council drive, forward housing led regeneration.

FINANCIAL AND LEGAL IMPLICATIONS

Financial

6. The consolidation proposal will have no financial impact on the Authority. As noted previously the obligations negotiated and agreed with THL as part of the stock Transfer Agreement will on consolidation vest with Thirteen.

Legal

7. Subject to consent being given, THL will first convert to become a community benefit society (using the statutory process set out in section 115 of the Co-operative and Community Benefit Societies Act 2014 ("the 2014 Act")) and then transfer its engagements to Thirteen (under section 110 of the 2014 Act).
8. By virtue of section 110 of the 2014 Act, the obligations of THL to the Council (together with the benefits currently enjoyed by THL) under the Transfer Agreement will be vested in Thirteen.
9. Consultation with the residents on the proposals was been carried out and the results of that consultation justified Cabinet consenting to these proposals

RISK ASSESSMENT

10. The proposal detailed is deemed to be low to medium risk for the Council. Existing management systems and daily routine activities are sufficient to control and reduce risk.

COUNCIL PLAN POLICY PRINCIPLES AND PRIORITIES

11. Whilst the proposals detailed do not directly impact the Council Plan, the ability for Thirteen to continue investment into the Borough will support a number of policy priorities including; protecting the vulnerable, delivering strong and healthy communities and supporting economic regeneration.

CORPORATE PARENTING IMPLICATIONS

12. No direct implications contained within this report.

CONSULTATION

13. There has been no formal consultation to date with ward members in relation to this issue, although briefings have taken place with the Cabinet Members for Environment and Housing and Regeneration and Transport.

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<u>Education related?</u>	No
<u>Background Papers:</u>	None
<u>Ward(s) and Ward Councillors:</u>	Not ward specific
<u>Property Implications:</u>	None