

Report To:	EXECUTIVE CABINET
Date:	22 March 2017
Executive Reporting Officer:	Member/ Councillor John Taylor, Deputy Executive Leader Damien Bourke, Assistant Executive Director – Development, Growth and Investment
Subject:	PEAK VALLEY HOUSING ASSOCIATION
Report Summary:	This report presents a request from the Symphony Housing Group for the Council's consent to its proposal to collapse the existing Board structures of each of the Group's organisations (including Peak Valley Housing Association) in order to establish and facilitate implementation of a Common Board. The proposal has emerged following a downgrade of Symphony's governance rating by the Homes and Communities Agency (HCA) for serious non-compliance. Symphony Group is now in the process of moving towards a unified operational structure, under the banner "Building One Organisation." In October the Peak Valley Housing Association (PVHA) Board agreed to participate in the new Symphony structure with effect from 1 April 2017.
Recommendations:	Recommend that an executive decision be made to approve the request from the Symphony Housing Group for the Council's consent to its proposal to collapse the existing Board structures of each of the Group's organisations (including Peak Valley Housing Association) in order to establish and facilitate implementation of a Common Board, subject to agreement on an enhanced role for the Hattersley Land Board that will support both community development and physical regeneration to ensure a sustainable neighbourhood.
Links to Community Strategy:	The role of Registered Providers of Social Housing, such as PVHA, links closely to the theme of supportive communities but also has a part to play in all the key themes.
Policy Implications:	In line with Council policy
Financial Implications: (Authorised by the Section 151 Officer)	There are no direct financial responsibilities of this report
Legal Implications: (Authorised by the Borough Solicitor)	The Government is current in the process of enacting the Chapter 4 Housing and planning Act 2016 and regulations thereunder which removes Housing associations and Registered Providers of Social Housing from being public bodies and thus wiping £64billion worth of debt from the public accounts. In order to do this in effect removes any nomination rights councils have to former stock transfers. It will therefore be important that there is clarity about the roles of the various bodies within the locality and how the best outcomes will be delivered in Hattersley and how any concerns can be voiced and addressed effectively.
Risk Management:	Risks will be mitigated through agreement of enhanced arrangements for the Hattersley Land Board.

Access to Information:

The background papers relating to this report can be inspected by contacting the report writer: John Hughes



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1. INTRODUCTION AND BACKGROUND

- 1.1 This report presents a request from the Symphony Housing Group for the Council's consent for its proposal to collapse the existing Board structures of each of the Group's organisations (including Peak Valley Housing Association) in order to establish and facilitate implementation of a Common Board. The proposal has emerged following a downgrade of Symphony's governance rating by the Homes and Communities Agency (HCA) for serious non-compliance. Symphony Group is now in the process of moving towards a unified operational structure, under the banner "Building One Organisation." In October the Peak Valley Housing Association (PVHA) Board agreed to participate in the new Symphony structure with effect from 1 April 2017.
- 1.2 The Hattersley estate transferred into the ownership of Peak Valley Housing Association (PVHA) from Manchester City Council in September 2006.
- 1.3 PVHA owns and manages approximately 1,500 homes in Hattersley and Mottram and is part of Symphony Housing Group, the largest Registered Provider of Social Housing based in the North West. As well as PVHA, the Symphony Group includes the following organisations:
- Contour Homes
 - Liverpool Housing Trust (LHT)
 - Cobalt Housing
 - Hyndburn Homes and Hyndburn Homes Repairs
 - Ribble Valley Homes
 - Atrium (non-charitable)
 - Contour Property Services (non-charitable)
- 1.4 A constituency based Management Board currently oversees the governance and performance of the organisation. The rules of PVHA require a membership of between 5 – 12 as a maximum. The PVHA Board decided on a Board of 10 members. The current constituent membership comprises of:
- 4 Independents
 - 1 Council Nominee
 - 5 Residents
- 1.5 A collaboration agreement is in place between Tameside Council, HCA and PVHA to regenerate Hattersley and deliver modern facilities in the area. The Hattersley Land Board oversees the delivery of the Hattersley regeneration programme on behalf of the partners.
- 1.6 In July 2016, Symphony Group was downgraded and given a G3 rating by its regulator the Homes and Communities Agency for failing to comply with governance requirements.

2. PROPOSAL FOR MODERNISING THE SYMPHONY GROUP GOVERNANCE ARRANGEMENTS

- 2.1 Following this downgrade by the HCA for serious non-compliance, Symphony Group is now in the process of moving towards a unified operational structure, under the banner "*Building One Organisation.*" As well as moving to a single operating structure, this will involve reviewing the existing Board structures of each of the Group's organisations and establishing and implementing a Common Board that will oversee Symphony, Contour Homes, LHT and PVHA.

- 2.2 As progress is made in aligning the operational arrangements and the governance arrangements, it is expected that the legal corporate structure would also be reviewed ultimately comprising a single registered provider that owns all residential housing stock. The proposed timetable provides a unified operational and legal structure by March 2018.
- 2.3 Symphony Group state that the proposal is driven mainly “*by the desire to achieve a more efficient business that is better placed to deliver a consistently high standard of landlord services to customers now and in the future*” and partly by the need to resolve current issues relating to inconsistent compliance across the Group. The protection and enhancement of high quality landlord services remains a key priority.
- 2.4 The business objectives proposed for the new Common Board will focus on regeneration. The operational scale and enhanced financial capacity of the single landlord aims to establish Symphony as a major regional housing group which is able to invest in area based regeneration services and new opportunities for home ownership in areas where demand is sustainable.
- 2.5 A report on the complete rule amendment, prepared for Symphony Housing Group by Trowers and Hamlins Solicitors, is attached at **Appendix 1**.

3. IMPLICATIONS FOR PEAK VALLEY HOUSING ASSOCIATION

- 3.1 The business case and proposal to move towards a Common Board was initially presented to the PVHA Board in September 2016. The new process was then considered and approved by the Chairs Committee and Group Board on 19 October.
- 3.2 During November and December 2016, existing PVHA Board Members were invited to participate in a process established by the Symphony Group Board for the recruitment of non-executive directors to the Common Board. No PVHA Board members applied to become a member of the Common Board.
- 3.3 In order to now participate in the Common Board, PVHA must consult with its tenants and obtain consent from the Council.
- 3.4 To begin this process, changes to the PVHA rules are required. PVHA has commissioned Trowers and Hamlins to produce a revised set of rules. (See attached).
- 3.5 PVHA is now seeking support from Tameside Council to endorse the decision taken by their Board to join the Common Board.

4. OTHER ORGANISATIONS IN THE SYMPHONY GROUP

- 4.1 Both Liverpool Housing Trust and Contour Homes have approved the proposals for a single operating structure and the simplification of the governance structures by the creation of a Common Board.
- 4.2 The new Common Board will not include Hyndburn Homes and Ribble Valley Homes as the boards of these organisations are made up of constituencies of local authority nominees and tenants. Symphony has agreed that that it would be preferable to continue with current boards until amalgamation is proposed.
- 4.3 The Board of Cobalt Homes has expressed its desire to demerge from the Symphony Group and this has now been confirmed. With the demerger agreed, both parties will begin working towards a formal separation later this year.

5. MAINTAINING LOCAL SERVICE DELIVERY

5.1 As part of the Building One Organisation approach, Symphony is committed to honouring the remaining obligations under existing stock transfer agreements. In addition, Symphony commit to maintaining local arrangements and services that already work well for local communities. To achieve this Symphony has developed a series of operating principles which will be used to test future service delivery. These are based on the following themes:

- **Local Services** – Focusing on delivering good quality landlord services to sustain communities and local people
- **The Voice of the Customer** - Introducing new neighbourhood arrangements for scrutiny and resident involvement as part of the new governance and assurance framework
- **Service tailored to people and neighbourhoods** – The appropriate targeting of resources to local communities
- **Customer Contact** – Local Offices will be retained where there is a geographical concentration of homes and office is valued and well used.
- **Supporting Local Communities** – Delivering local initiatives around development, asset management and regeneration.

5.2 Symphony has proposed that the existing obligations established in the collaboration and commercial development agreement with partners will be honoured. They propose that this will be achieved through a “new framework” with an enhanced role for the Hattersley Land Board that will support both community development and physical regeneration to ensure a sustainable neighbourhood.

6.0 CONCLUSION

6.1 The PVHA Board has agreed to support the proposal from Symphony to move towards a unified operating model and a simplified governance model by the creation of Common Board and in time to consider legal amalgamation into a single landlord entity.

7.0 RECOMMENDATION

7.1 As set out on the front of the report.