

<b>REPORT TO</b>	<b>DATE OF MEETING</b>
Cabinet	10 <sup>th</sup> February 2016

Report template revised June 2008



<b>SUBJECT</b>	<b>PORTFOLIO</b>	<b>AUTHOR</b>	<b>ITEM</b>
Progress Housing Group Limited – Changes to Constitution	Housing and Healthy Communities	Denise Johnson	11

## SUMMARY AND LINK TO CORPORATE PRIORITIES

To inform Cabinet of the proposed changes to the constitution of Progress Housing Group Limited and subsequent matters for attention.

This report links to the Corporate Priority of a “Strong South Ribble in the heart of a prosperous Central Lancashire”.

## RECOMMENDATIONS

It is recommended that Cabinet:

- a) Note the contents of the report;
- b) Consider if the Council wishes to retain a share in Progress Housing Group Limited.
- c) Consider the offer by Progress Housing Group to present an annual report and/or consider other means to maintain working relationships to the benefit of our residents.

## DETAILS AND REASONING

Progress Housing Group Limited and its subsidiary company, New Progress Housing Association Limited have approached the council as it is proposing to adopt the most up to date set of model rules that have been produced by its trade body the National Housing Federation. The Group and its registered provider subsidiary companies have, to date, used the National Housing Federation model rules as part of their governance framework and wish to continue to do so.

Currently the council holds a share in New Progress Housing Association Limited and under its current rules is able to nominate person(s) from the local authority to sit on that association’s Board (Large Scale Voluntary Transfer (LSVT) Transfer Agreement schedule 6, Deed of Covenants [clause 5]) . A move to the new model rules would effectively remove this section of the LSVT transfer agreement as the new rules do not provide for local authority nominated representatives.

The company has undertaken a comprehensive review of the skills and competencies required by its board in light of the operating and regulatory environment that it works within. Its ability to deliver its business plan aims and to support the customers and communities that it serves are key requirements of the skills profile for the future success of the organisation.

The council also holds a share in the company. The share holds no rights or privileges other than to allow the council one vote at the Annual General Meeting of the company. This vote is normally exercised by the council nominee who is not a shareholder in their own right due to their nominated status. The new rules do allow for corporate membership and therefore the council can if it so wishes retain the share in the company. However, the council may wish to take the opportunity to consider if there is any practical reason to retain this share as there are no dividends or other financial incentives as the company is an not for profit charitable registered provider.

The Council no longer appoints a Member to Progress Housing Group Limited as an Outside body. This ceased in 2015.

By adopting the new rules New Progress Housing Association board will cease in April 2016. The new arrangements will not mean councillors or tenants can no longer serve on the board but those that do will be independently recruited through an open process and assessed against the skill requirements set by the Board at the relevant time.

Progress Housing Group wish to maintain the close working relationships it has with the Council. It has offered to report to the Council on an annual basis. The report would be on work/ projects undertaken in the Borough. Currently there are regular meetings with senior management and operational teams and these will continue to enable alignment of strategy and encourage discussion and sharing of new ideas and methods of delivery.

### **WIDER IMPLICATIONS**

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas listed below, and the table shows any implications in respect of each of these. The risk assessment which has been carried out forms part of the background papers to the report.

<b>FINANCIAL</b>	There are no financial implications.
<b>LEGAL</b>	<p>The legal implications for this council of the proposed changes are relatively minimal.</p> <p>The principal change is that we will cease to have the right to nominate persons to the New Progress board. This in part is due to the increasing complexity of work faced by Housing associations – there is an expectation that all board members will now be subject to a recruitment process.</p> <p>It is a matter of discretion for the council whether it wishes to retain its share in Progress Housing Group Limited.</p>
<b>RISK</b>	There is no risk to the Council.
<b>THE IMPACT ON EQUALITY</b>	Maintaining/ strengthening a working relationship with Progress Housing Group will help meet the needs of some of our most vulnerable residents.

<b>OTHER (see below)</b>	
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<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>