



**Cabinet**  
11 December 2017

**Report from the Director of  
Performance, Policy and  
Partnerships**

**First Wave Housing Ltd – Services Agreement**

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	Key
<b>Open or Part/Fully Exempt:</b>	Open
<b>No. of Appendices:</b>	None
<b>Background Papers:</b>	None
<b>Contact Officer:</b>	Peter Gadsdon Director of Performance, Policy and Partnerships Tel: 020 8937 6095 <a href="mailto:peter.gadsdon@brent.gov.uk">peter.gadsdon@brent.gov.uk</a>

**1.0 Purpose of the Report**

- 1.1 This paper sets out the proposal to enter into a Services Agreement between the Council and First Wave Housing Ltd, which requires Cabinet consent.

**2.0 Recommendations**

- 2.1 Cabinet approves the Council's entry into a four-year Services Agreement with First Wave Housing Ltd to provide a range of support services.
- 2.2 Cabinet agrees that any future variation to the Services Agreement is delegated to the Chief Finance Officer in conjunction with the Leader.

**3.0 Detail**

- 3.1 Housing Management services have now been brought in-house, but the Council has retained First Wave Housing Ltd (formerly Brent Housing Partnership Ltd) as an arms-length organisation with Registered Provider status.
- 3.2 The Council has been asked by First Wave Housing Ltd to provide it with services as detailed at paragraph 3.5. A medium-term (four-year) Services Agreement is considered appropriate by both First Wave and Council Officers. The Services Agreement will require the Council to procure and directly deliver a number of services and provide a number of functions in return for a fee and reimbursement of costs incurred directly on behalf of First Wave Housing Ltd.

- 3.3 The four-year Services Agreement will contain details of service descriptions, performance targets, service standards, lead officers, the fee structure, and clarity of how the service scope can be reviewed during the lifetime of the Services Agreement. The pricing schedule, attached at Appendix A, summarises the various functions included within the SLA.
- 3.4 The Services Agreement includes a conflict resolution clause for resolving matters between the parties and a break clause should persistent breaches occur. The Services Agreement, or elements of the Agreement, can be ended at any time by mutual consent, however, a six-month notice period is required should one party wish to end the agreement. Any future variation required to the Services Agreement would be agreed by the Chief Finance Officer in conjunction with the Leader of the Council.
- 3.5 The Services Agreement requests the Council to provide, directly or through contracts with external providers, two key service functions:
- a) Services to support the Company structure / Governance functions
  - b) Procurement of contractors and direct management and services supporting the Company's private rented sector housing management and repair functions
- 3.6 Services to the Company structure / Governance function include support in areas such as Board administration, business planning and business modelling, support with freedom of information requests, complaints, IT and IT systems, procurement and legal advice, financial management, treasury management, and payment systems.
- 3.7 The Council will procure and administer the private sector Housing Management and Repairs functions of the Company. The Services Agreement would permit the Council to provide private sector Housing Management and Repairs services to the Company directly or through sub-contractors. A contract is currently in place which was signed with BHP, to provide housing management and repairs services up to February 2018. All Housing Management contractors will be managed in accordance with the Company's Assured Shorthold Tenancy agreement and policies.
- 3.8 As the Company requires new or replacement services and functions, it will work with the Council's procurement service to establish in-house or external expertise.

#### **4.0 Financial Implications**

- 4.1 The fee value of the Services Agreement is up to £1,457,100 per year (including VAT) over four years and will be recognised as corporate income.
- 4.2 All services to First Wave Housing will (after taking account of State Aid considerations) be provided at the cost to the Council.

## **5.0 Legal Implications**

- 5.1 The general power of competence in the Localism Act 2011 permits the Council to provide services to First Wave Housing Ltd. To date, the Council has provided such services under a short term interim contract but the Council and First Wave Housing Ltd now seek to enter into a four-year Services Agreement. Under Contract Standing Order 87(c), authority to enter into such arrangements must be agreed by the Cabinet where the contract value would exceed £150,000 per annum; or the gross cost to the Council of providing the relevant services under the contract is estimated to exceed £150,000 per annum calculating the full costs over the term of the contract. The value of a four-year contract is £2.75m (including VAT). In the circumstances Cabinet approval is required to enter into a four-year Services Agreement with First Wave Housing Ltd.

## **6.0 Equality Implications**

- 6.1 No diversity implications have been identified.

## **7.0 Consultation with Ward Members/Stakeholders**

- 7.1 N/A.

## **8.0 Human Resources/Property Implications (if appropriate)**

- 8.1 Council staff will provide the proposed services under the Service Agreement from Council premises. No other staffing/accommodation implications have been identified.

**Report sign off:**

**PETER GADSDON**

Director of Performance, Policy and Partnerships

