

CABINET – 17 APRIL 2018

EXTRACT MINUTE

6. **MERGER OF YORKSHIRE COAST HOMES AND COAST AND COUNTRY HOUSING ASSOCIATION LIMITED**

The Cabinet considered a report by the Director (LD) (Reference 18/78) in respect of the proposed merger of Yorkshire Coast Homes and Coast and Country Housing Association Limited. With the permission of the Chairman, the Chairman of the Overview and Scrutiny Board, Councillor Siddons addressed the meeting to report on the findings and recommendations of the Board which had considered the matter in depth the previous day. Councillor Siddons thanked all those who had taken part in the scrutiny including the Chairs and Chief Executives of both registered providers. He noted that the Borough Council had no control over the proposed merger, but commended the work that had gone into the proposed Commitments Agreement which would ensure that the Borough Council and newly merged housing association continued to work closely together for the benefit of tenants and both organisations. However, he did express concern over the problems at Yorkshire Coast Homes identified by the interim Chief Executive, the Homes and Communities Agency, and the independent options appraisal, whilst recognising that the proposed merger was now the best way forward for the organisation. Councillor Siddons then related the following recommendations of the Overview and Scrutiny Board:

The Council to:

a. Provide in principle support for YCH to merge with CCH, noting that in doing so the Council gives up its right to nominate 24% of the Board Membership, and therefore:

- i Approve the Heads of Terms for inclusion within a 'Commitments Agreement' that aims to safeguard the interests of the Council and residents, and
- ii Delegate authority to Director (LD), in consultation with the relevant Portfolio Holder, to enter into the required legal contracts to facilitate the merge, on the basis of no financial detriment to the Council

b. In addition, approve:

- iii that an appropriate observer from Scarborough Borough Council be nominated to the new housing association board;
- iv that scrutiny of the new housing association be strengthened, by the Overview and Scrutiny Board inviting representatives of the new housing association to attend Board meetings to report on its activities at appropriate intervals;
- v that any programme for new home building and/or the refurbishment of existing properties be allocated proportionately between the Scarborough Borough Council and Redcar and Cleveland areas;

And note that

- vi following approval of the Heads of Terms in the Commitments Agreement as proposed in the report, there is still further work to do on the detail of the

Agreement requiring ongoing discussions and partnership working between the Council and the new housing association.

The Chairman, Councillor Bastiman, thanked the Overview and Scrutiny Board for their in-depth consideration of this matter, proposing the following minor amendments to the Board's recommendations which were accepted by Councillor Siddons:

- iii that an appropriate observer from Scarborough Borough Council be nominated to the new housing association board **for a period of not less than three years to be reviewed thereafter;**

and

- iv that scrutiny of the new housing association be strengthened, by the Overview and Scrutiny Board inviting representatives of the new housing association to attend Board meetings to report on its activities **on a twice yearly basis initially until such time as an annual basis is deemed sufficient by the O&S Board and the housing association;**

The Chairman also paid tribute to the interim Chief Executive of Yorkshire Coast Homes for his hard work, gave his full support to the merger which he believed was in the best interest of tenants, and wished the new housing association every success.

RESOLVED that the Council be recommended to:

- a. Provide in principle support for YCH to merge with CCH, noting that in doing so the Council gives up its right to nominate 24% of the Board Membership, and therefore:
 - i Approve the Heads of Terms for inclusion within a 'Commitments Agreement' that aims to safeguard the interests of the Council and residents, and
 - ii Delegate authority to Director (LD), in consultation with the relevant Portfolio Holder, to enter into the required legal contracts to facilitate the merge, on the basis of no financial detriment to the Council
- b. In addition, approve:
 - iii that an appropriate observer from Scarborough Borough Council be nominated to the new housing association board for a period of not less than three years to be reviewed thereafter;
 - iv that scrutiny of the new housing association be strengthened, by the Overview and Scrutiny Board inviting representatives of the new housing association to attend Board meetings to report on its activities on a twice yearly basis initially until such time as an annual basis is deemed sufficient by the O&S Board and the housing association;
 - v that any programme for new home building and/or the refurbishment of existing properties be allocated proportionately between the Scarborough Borough Council and Redcar and Cleveland areas;

And note that

- vi following approval of the Heads of Terms in the Commitments Agreement as proposed in the report, there is still further work to do on the detail of the

Agreement requiring ongoing discussions and partnership working between the Council and the new housing association.

Reasons

To retain a strong strategic partnership with the newly formed housing association in accordance with the Council's Housing Strategy and in the interests of residents.