

## **Agreement to Manage Six Properties Owned by the Lilian Prime Trust**

### **SUMMARY**

- 1.1 The Lilian Prime Trust approached Derby Homes in July 2010 to take on the management of six Trust owned properties located in Alvaston. The request was supported by local ward councillors.
- 1.2 This report formalises Derby City Council's approval for Derby Homes to provide this service on behalf of the Trust.

### **RECOMMENDATION**

- 2.1 To agree that Derby Homes may enter into contract to manage six properties owned by the Lilian Prime Trust until January 2021.

### **REASONS FOR RECOMMENDATION**

- 3.1 The proposal ensures the sustainable management of a small local housing charity.

### **SUPPORTING INFORMATION**

- 4.1 The Lillian Prime Trust is a registered charity whose objective is to provide specially designed or adapted homes for people suffering from multiple sclerosis or other physical disabilities. Their properties (5 bungalows and 1 house) were built in 1990 and are located on a larger housing scheme for older people in Alvaston. The house is offered by the Trust as accommodation for an onsite warden, in return for services to the residents.

- 4.2 The Scheme was originally managed by Walbrook Housing Association on behalf of the Lilian Prime Trustees. In 2007 Walbrook became part of the Spirita Group, which in turn has become part of the Metropolitan Housing Group. Spirita reviewed their services to older people in 2009 and changed from an on site warden service to a floating support service. The Lilian Prime residents were advised that if they wanted to continue with the warden service, they would have to pay an additional service charge. The warden service was removed from the scheme and the warden's house adapted for a family.
- 4.3 The proposed loss of the on-site warden created concern for the residents and this damaged the relationship with Spirita. As a result, ward councillors approached Derby Homes to take on the management of the 6 properties, with immediate effect, because the situation had become critical. Derby Homes already manages properties for external organisations, including Guinness Northern Counties, Spirita and a private landlord.
- 4.4 A verbal agreement was given by Derby Homes Board and Council at the time. This now needs to be on a formal basis. The management agreement is standard for this type of arrangement and has been agreed by both sets of solicitors. Derby Homes only provide management services and do not provide any support services. The Key points to the agreement are:
- The tenants are assured tenants with the Lillian Prime Trust
  - Allocations are made through Homefinder with the approval of the Trustees
  - Derby Homes collects the rents and completes day to day repairs
  - Derby Homes processes tenancy sign-ups, terminations and manages void properties
  - Derby Homes carries out annual gas safety checks and servicing of gas appliances.
- 4.5 The contract date is from the 1 January 2011 and the contract period is 10 years.

## OTHER OPTIONS CONSIDERED

- 5.1 An option would not be to provide the management service. However this would damage relationships with a local charity and be contrary to the wishes of local ward councillors.

**This report has been approved by the following officers:**

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| <b>Legal officer</b><br><b>Financial officer</b><br><b>Property/ Estates Officer</b><br><b>Human Resources officer</b><br><b>Service Director(s)</b> | Olu Idowu<br>Pete Shillcock<br>Steve Meynell<br>n/a<br>Brian Frisby |
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| <b>Other(s)</b> | Maureen Davis, Ian Fullagar |
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| <b>For more information contact:</b><br><b>Background papers:</b><br><b>List of appendices:</b> | James Beale 01332 256321 james.beale@derby.gov.uk<br>None<br>Appendix 1 – Implications |
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| <b>IMPLICATIONS</b> |
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**Financial and Value for Money**

- 1.1 The management of the 6 properties provides a small additional income for Derby Homes

**Legal**

- 2.1 In order to secure that entering into the agreement is cost neutral to both the Council and Derby Homes, it is advisable for the management agreement to be entered into between the Council and the Lilian Prime Trust to contain an indemnity against claims and costs in favour of the Council and/or Derby Homes. The in-house legal service should be consulted as part of the agreement's negotiation process to ensure the adequacy of the indemnity proposal for the purpose.

**Personnel**

- 3.1 None arising from this report

**Equalities Impact**

- 4.1 Secure management of these properties supports the housing needs of a disabled group of residents

**Health and Safety**

- 5.1 None arising from this report

**Environmental Sustainability**

- 6.1 None arising from this report

**Asset Management**

- 7.1 There are no concerns from an asset management perspective

**Risk Management**

- 8.1 None arising from this report

## **Corporate objectives and priorities for change**

### **9.1 A strong community**