

Classification: Open	Decision Type: Non-Key
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Report to:	Cabinet	Date: 15 January 2026
Subject:	Six Town Housing LTD and Bury Housing Services SLA	
Report of	Cabinet Member for Housing Services	

Summary

1. This report deals with the contractual requirements to continue the delivery of Housing management to Six Town Housing Limited from 1st February 2026 to 31st January 2027.
2. After it ceased to be the Council's ALMO, Six Town Housing Limited (STH) entered into a service level agreement with Bury Council in July 2024 so that STH could continue to execute its responsibilities as a social landlord to its then remaining 149 properties.
3. The current SLA expires on 31st January 2026 and in order to ensure the tenants have continuity of service it is recommended to approve a 12-month extension of the arrangement.

Recommendation(s)

4. To delegate to the Director of Law and Democratic Services the preparation and signing of the variation instruments to extend the provision of Council Services to Six Town Housing from 1/2/26.

Reasons for recommendation(s)

5. STH no longer performs the ALMO function for the Council but it continues as an active Private Registered Provider of Social Housing company now owning and leasing just 115 social housing homes which it lets and sublets to its own social housing tenants. STH no longer employs staff, is managed solely by its Board, and wholly relies on the Council for services.
6. Therefore, an ongoing Service Level agreement is required so STH may continue with its reduced social housing activities relying on the support of the Council.
7. Cabinet agreed to begin the process of dissolving STH on the 9th September 2025. This process will take at least 18 months. During this time, consistent management of the properties will ensure stability for the organisation and tenants.

Alternative options considered and rejected

8. The option to “do nothing” is not appropriate since STH corporate governance arrangements must provide for and align with STHs significantly reduced role and activities post cessation of ALMO.

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Background

9. On 1st February 2024 STH ceased managing the Council’s housing stock and so ceased its role as an ALMO. However, STH remains intact as a wholly owned subsidiary company of the Council and is itself a Private Registered Provider of Social Housing now owning and leasing 115 social housing homes which it lets and sublets to its own social housing tenants under the assured tenancy regime governed by the Housing Act 1988.
10. STH no longer has any paid staff, is managed solely by its Board, and therefore required arrangements in order to deliver its social housing responsibilities. Under the Transfer and Termination (T&T) agreement the parties agreed to deliver and receive the “Council Services” to STH which were further outlined in the Operational Plans and SLA.
11. The T&T (including its Operational Plans & SLA) provides assurance for the delivery of Council Services to properly manage STH’s social housing tenancies, properties and maintain its regulatory compliance. STH may be required to share this Operational Plans & SLA with the Regulator to demonstrate it has sufficient contracts and controls in place to comply with its regulatory obligations.

Service Level Agreement

12. A formula to calculate charges were introduced in the provisions for 2025/26 that reflected the activities Bury Housing Services undertook on behalf of Six Town Housing. The formula will be reviewed for the extension with Bury Housing Services and Six Town Housing Board to ensure it is still appropriate. The SLA allows for further charges to be raised at the approval of the STH chair.
13. Due to the Mosscare St Vincent lease ending in September 2025 and the hand back of 34 properties to the landlord, the number of properties that Bury Housing will service has reduced to 115. It is proposed to reflect this change

in a reduction in housing officer time allocated to the management fee.

14. Bury Housing and STH Board agreed a value of £100,850 for the 2025-26 “annual block charge” for the standard day-to-day company and housing management services. (In addition to this shall be separate “spot charges” for infrequent one-off expenditure/services that are to be agreed in advance with the Chair of STH . It is proposed to maintain the formula but reflect the 3.4% salary uplift applied to all staff at Bury Council for 2025-26 for the delivery of services.

Future of Six Town Housing

15. As per the cabinet decision in September 2025 the council has begun the process to close STH. This process is expected to take at least 18 months covering the period of the proposed SLA extension. There is an expectation that an SLA will be required for at least some part of 2026-27 and that will be brought to cabinet at the appropriate time.

Links with the Corporate Priorities:

16. This proposal meets the corporate priorities in the following ways:
 - a. Local
 - b. Sourcing local housing options for local people
 - c. Prevent the need for Bury residents to have to move out of the borough to have their needs met.
 - d. Work with local developer's and providers who know the local area.
17. Enterprise
 - a. Enterprising innovation and creative solutions to current housing issues.
 - b. Be bold in our housing solutions and future developments in Bury.
18. Together
 - a. Working together to design quality, fit for purpose homes for people with additional needs in Bury.

Equality Impact and Considerations:

19. There are no material changes or impacts on people therefore no equality impact concerns with this activity.

Environmental Impact and Considerations:

20. There are no material impacts from this decision. Sustainability works are delivered outside of the SLA to STH properties.

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
Tenants are not consulted on delivery of services	SLA is for only for one year to ensure meets guidelines for long term arrangements
Tenants do not receive services in line with regulator of social housing	SLA provides services in line with Bury Council Tenants.

Legal Implications:

21. STH is a subsidiary company of the Council which is also a Private Registered Provider of Social Housing (“RP”) providing 115 social housing homes in the district. It no longer has any staff and is managed solely by its Board. It relies exclusively on the Council for the delivery and/or procurement of all its services necessary for it to provide compliant and safe homes as per the Regulator of Social Housing’s Regulatory Framework.
22. Legal Services prepared a suite of legal instruments now in place between STH and the Council to ensure STH can continue to provide compliant homes and services to its tenants. These included the “Operation Plans and Service Level Agreement” that provide for the relevant service delivery and charges. This report seek approval to extend those provisions for a further year and at the charges specified in the report.
23. Previously this contract for services fell outside the procurement rules since no charges were made or paid. Now charges are being introduced then this amounts to a below threshold procurement. STH is subject to the Council’s Contract Procedure Rules (CPRs). The CPRs permit STH to directly award this contract for services to the Council on the grounds that these are *“additional services where change in supplier would result in disproportionate technical difficulties in operation or maintenance of the service”*. This is because STH is operated on Council systems and uses the services of staff who were previously employees of STH and whose roles cover servicing Council stock and STH stock simultaneously. To separate the systems and service delivery would, in view of the modest charges being made, result in disproportionate technical difficulties in operation or maintenance of the service.

Financial Implications:

24. The financial implications are outlined in the report.

Appendices:

None.

Background papers:

None.

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning