

Council – 7th July 2008

Walsall Housing Group – Proposed Changes to Group Structure

Service Area: Housing and Social Services

Wards: All

1. Summary of report

- 1.1 This report seeks the support of Walsall Council to proposed changes to the current structure of Walsall Housing Group (whg). The proposed new group structure would enable whg to become more effective and more efficient and to 'do more of what we are here for and do it even better'.
- 1.2 The proposed group structure changes relate solely to Walsall Housing Trust Limited ("WHT") becoming the sole property owning registered social landlord ("RSL") and the five remaining Local Trusts ceasing to exist as corporate entities and registered social landlords. These changes would establish five Local Neighbourhood Boards that will become committees of WHT with delegated authorities for a range of activities including monitoring local service performance and listening to feedback from customers and to community concerns.
- 1.3 Walsall Council would continue to nominate three non-Executive directors to the Walsall Housing Trust Board and one to each of the five Local Neighbourhood Boards. This is the same as existing arrangements, as would be tenant membership on Local Neighbourhood Boards and the WHT Board.
- 1.4 The proposed changes to WHT's group structure requires the Council's consent both under the Transfer Agreement dated 27 March 2003 between the Council and the individual members of WHT and as a corporate member of WHT.
- 1.5 This report sets out the changes necessary for the Council to agree in order to effect the change to WHT's group structure.

2. Recommendations

- 2.1 That the Council supports whg's proposals to:
 - 2.1.1 transfer all whg properties into one property owning RSL, the current parent RSL of whg, being WHT; and
 - 2.1.2 change the existing Local Trust Boards to Local Neighbourhood Boards as committees of WHT with a range of delegated authorities from the WHT Board.

- 2.2 That the Council considers the contents of this report and authorises [] to agree the requisite Council consents under the Transfer Agreement with WHT and approve such changes to WHT's memorandum & articles as necessary.
- 2.3 That the Council provides all other consents necessary to effect the change to WHT's group structure.

3. Background information

- 3.1 whg has achieved significant success in the five years since transfer, and has every confidence this will continue into the future:
- whg has delivered on the promises made to residents at transfer to invest in their homes, to improve services and to be at the heart of regenerating neighbourhoods.
 - whg now has a customer-focused organisation, strongly linked to communities with surveys confirming rising satisfaction with services.
 - whg has an acknowledged track record of continuous improvement.
 - whg has developed with Walsall Council a Strategic Regeneration Framework, to assist both organisations in future years to target investment to ten transformational projects that will benefit Walsall residents. In addition, whg together with the Council has established VIEW (Visionary Investment Enhancing Walsall) to jointly direct strategic investment of various proceeds resulting from transfer.

It is important that whg continue to build on these successes at a time when the environment within which whg operates is changing rapidly. More and more is expected of RSLs beyond the traditional landlord role by government, the Housing Corporation (the whg regulator) and whg customers. The second whg Corporate Plan covering 2008-2011, Reaching Out, reflects this, with group goals themed around:

- Valued Customers - Vibrant Communities;
 - Desirable Homes - Attractive Places;
 - Better Business - Added Opportunities
- 3.2. The whg governance structure must enable whg to meet the demands that are being made of it and to respond to the opportunities that are opening up to it.
- 3.3 Whg has built a strong partnership with Walsall Council and has excellent relationships with both Councillors and Officers. Under the proposed new governance arrangements, Walsall Council would continue to nominate three non-executive Directors to serve on the WHT Board and one member to serve on each of the five Local Neighbourhood Boards – there would be no change to the current arrangements.
- 3.4 As part of the proposed changes:

3.4.1 whg will:

- Retain its commitment to resident involvement at the heart of governance;
- Retain and promote local involvement in shaping and delivering services and in shaping and delivering community regeneration initiatives;
- Continue to value and promote the five Local Trust areas;
- Retain Local Trusts' names – for the clear statement they make about our commitment to Walsall's communities and the sense of pride and identity they hold for so many people.

3.4.2 The new Local Neighbourhood Boards would be responsible for monitoring local service performance; listening to feedback from customers and to community concerns; bringing local knowledge to discussions on local issues and be a voice for whg in the local community. Each Local Neighbourhood Board would have a fund to spend on things that matter to local people. Using their local knowledge, Local Neighbourhood Boards would be able to assist the Walsall Housing Trust Board to shape overall service delivery across whg.

4. Changes to the Transfer Agreement

- 4.1 It is important to ensure all parties retain the same protections afforded to them under the Transfer Agreement whilst also maintaining the same obligations, rights, responsibilities and duties. The way to achieve this is for WHT to undertake to perform and be bound by the terms of the Transfer Agreement (including all Schedules and Annexes) in every way as if WHT was the only party to it in place of the Local Trusts.
- 4.2 The Council's nomination rights will need to reflect the fact that WHT will be the sole owner of the Property and therefore nominations will now be made solely to WHT rather than to the individual Local Trusts.
- 4.3 The Council's warranties in favour of the Local Trusts will need to be assigned to WHT so it alone has the benefit of the warranties.
- 4.4 The covenants provided by each of the Local Trusts will in future be honoured by WHT itself.
- 4.5 Any future disposals or developments under which the Council may be able to clawback increases in land values will be made by WHT rather than the Local Trusts.
- 4.6 The easiest and usual way to effect these changes to the Transfer Agreement is for the Council to enter into a Deed of Variation.

5. Consents by the Council

- 5.1 The Council will have to consent in writing to the amalgamation of WHT's current group structure and to the transfer of the Property from each of the Local Trusts to WHT as the sole property owning RSL.

5.2 These consents include:

- 5.2.1 the dissolution of each of the Local Trusts;
- 5.2.2 the deregistration of the Local Trusts with the Housing Corporation;
- 5.2.3 the termination of the internal arrangements within whg;
- 5.2.4 WHT becoming the landlord for all tenants of whg;
- 5.2.5 the deregistration of the Local Trusts for VAT purposes; and
- 5.2.6 changes to WHT's rules to enshrine the place of the Local Neighbourhood Boards and allow them to nominate Board Members to WHT in the same way as the Local Trusts.

6. Other Issues

- 6.1 There are a number of other issues that will require further consideration by both whg and Council officers. These include the assignment of any other deeds, contracts, leases and licences the Local Trusts hold with the Council and any matters arising under the current VAT sharing arrangements.

7. Resource considerations

- 7.1 There would be no implications for the Council.

8. Citizen impact

- 8.1 whg is consulting with all tenants on the proposals for change and the results of the consultation will be reported to all Boards to help them in their decision making.
- 8.2 The proposed changes to the governance structure will not result in any changes to tenancy terms and conditions other than Walsall Housing Trust becoming the landlord for all its customers, instead of a Local Housing Trust as at present.
- 8.3 Under the proposed new arrangements, tenants will still be involved in running whg. Tenant Board Members will continue to be elected by tenants to serve on Local Neighbourhood Boards and the Local Neighbourhood Boards will each nominate a tenant member to serve on the Walsall Housing Trust Board. Local Neighbourhood Boards will continue to have tenant majorities.
- 8.4 Customers are at the heart of whg business and are able to choose the level of involvement they wish to have with whg whether as a Board member, a customer panel member, a mystery shopper, a member of a reading group, a participant in estate tours or through one of the many other opportunities whg provides.

9. Community safety

9.1 There are no community safety matters applicable to this report.

10. Environmental impact

10.1 There is no direct environmental impact arising out of matters discussed in this report.

11. Performance and risk management issues

11.1 The proposed changes to the WHT governance structure will provide greater opportunity to whg to continue to improve services to customers and improve local neighbourhoods.

11.2 whg has appointed legal consultants to advise on the proposals.

11.3 The changes, if taken forward, require formal approval by the Housing Corporation as regulator and by the group's funders, which adds further independent scrutiny to the process and strengthens risk management.

12. Equality implications

12.1 There are none arising out of this report. One of whg's core values is 'embracing diversity' and is at the heart of delivering whg group goals.

13. Consultation

13.1 whg is consulting widely on the proposals for changes to its structure including with customers, funders, partners and the Council. A briefing note on the proposed changes to the group structure was circulated by whg, with the co-operation of the Council, to all Councillors in May.

14. Background papers

14.1 None

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