

12 DECEMBER, 2022

Watmos Community Homes Constitutional Changes

Ward(s): All

Portfolios: Councillor Ali - Customer

1. Aim

Housing associations (HAs) are required by the Regulator of Social Housing's (RSH) Governance and Viability standard to have good governance.

2. Recommendations

That Scrutiny Overview Committee comment on the proposals which will be incorporated within the report to Council.

3. Report detail – know

- 3.1 Watmos Community Homes ("Watmos") is an organisation formed through the stock transfer of a number of tenant management organisations (TMOs) from the Council in 2003. Under the terms of the Deed of Covenant entered into by Watmos at the point of stock transfer from the Council in 2003, Watmos requires the consent of the Council in relation to changes to its Rules.
- 3.2 Watmos advised in a letter to the Council dated 26 September 2022 (Appendix A) that they wish to amend their Rules in relation to its objects, powers and tenant representation sections. A summary of proposed changes has been provided by Watmos at Appendix B. These changes include to Rule D6 "Removes the reference that co-optees to the Board will usually be tenants in recognition that the primary consideration is that co-optees should be suitably skilled individuals regardless of whether or not they are tenants". However Watmos have confirmed the board main composition will always have a resident majority for voting matters, and with the opportunity for residents to take the co-opt seats as well. A full set of the Rules with marked up changes is attached at Appendix C.
- 3.3 Watmos have confirmed that they need to make changes in order to improve their governance rating. In Appendix D they note that "In March 2021, the RSH published a Regulatory Judgement (RJ) for Watmos which graded the organisation's governance as compliant at: G2: The provider meets our governance requirements but needs to improve some aspects of its governance arrangements to support continued compliance". Watmos note that if they don't make changes to their governance, there is a chance they could receive a non-compliant G3 grading, and that there could be serious consequences such as the

possibility that the RSH would require Watmos and its subsidiary TMOs to be taken over by a larger housing association.

3.4 Watmos state that there has been consultation at various levels including:

- The Group Board was consulted and had to approve the proposed changes
- The TMOs have been consulted through attending committee meetings, mail outs to the wider resident committee, individual conversations with the TMO chairs

3.5 Watmos also state that they have numerous existing and new resident engagement methods including:

- Resident panel – a new panel set up in September 2022. This is a sub-committee of the board looking at performance and scrutiny of services. All but one member is a resident.
- Board readiness programme - 12 month training programme for residents who want to learn how to be involved in governance / on a board.
- Consultation – monthly satisfaction surveys against new tenant satisfaction measures – Watmos is early adopter as measures don't need to be reported till 2024
- Tenant empowerment session – early December 2022 will be the first of several sessions to look at what more can be done to future proof resident led organisations.
- All TMOs were given the opportunity earlier in the year to speak with an external consultant about what they thought resident voice was and how it could be more involved.
- Watmos Communities team have a record of those residents wishing to engage and the ways in which they want to engage so they can be involved in activities best suited to them.

4. *Financial information*

There are no financial implications.

5. *Reducing Inequalities*

The proposed changes may affect the levels of tenant representation on the Board.

6. *Decide*

The Committee can decide if it wishes to comment on the proposals, and what these comments should be.

7. *Respond*

If the committee makes comments on the proposals, these will be incorporated into the report to Council.

8. *Review*

If the proposals are agreed by Council, then officers will write to Watmos to confirm agreement.

Background papers

2003 Housing Stock Transfer Agreement

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