

WELWYN HATFIELD COUNCIL  
SPECIAL CABINET –24 JANUARY 2017  
REPORT OF THE EXECUTIVE DIRECTOR

RE-INTEGRATION OF THE HOUSING SERVICE INTO WELWYN HATFIELD BOROUGH COUNCIL

**1 Executive Summary**

- 1.1 Following on from Cabinet's recent decision to wind-up Welwyn Hatfield Community Housing Trust ('the Trust') and bring the housing service back into Welwyn Hatfield Borough Council ('the Council'), this reports updates Cabinet from the position reported at the Cabinet meeting on 6 December 2017.
- 1.2 This report confirms that we anticipate meeting the target date of 1 February 2017 for the transfer of services, staff and contracts back into the Council.
- 1.3 This report clarifies that the Council will be receiving all assets and liabilities from the Trust as a result of the re-integration.
- 1.4 This report confirms that an Insolvency Practitioner, Ernst and Young, is in the process of being appointed to act on the Trust's behalf, to wind up the company.

**2 Recommendation(s)**

- 2.1 It is recommended that Cabinet:
- 2.2 Notes the actions being taken by the Council in relation to the transfer of housing services back into the Council and the legal wind-up of the Trust.

**3 Explanation**

- 3.1 In September 2016 Cabinet proposed that the housing service currently delivered by the Trust should be brought back into full council control, with the aim of continuing the programme of delivering efficiencies in light of increasingly challenging operating environments for both organisations.
- 3.2 Following a tenant consultation and A TUPE consultation with all Trust staff the re-integration of services is proceeding in accordance with the measures set out in the re-integration project plan, as presented to Cabinet on 6 December 2016. The tenant consultation outcome was that a significant majority (67%) of those tenants who responded were in favour of the transfer and 12% were against the proposal. No comments or queries were raised by staff during the TUPE consultation process which took place in December and January.
- 3.3 A Transfer Agreement has been negotiated between the Trust's legal advisors (Trowers and Hamlins) and the Council's legal advisors (Bevan Brittan). Among other conditions the Transfer Agreement confirms that in taking back the service the Council will take on the liabilities of the Trust. These liabilities are already

managed on a day to day basis under the authority of the Executive Director and include commitments relating to tenants, partners, creditors, contract arrangements and staff.

- 3.4 At the request of the Council the Trust's Board members have also confirmed, in a meeting held on 19 January 2017 that they have not, as far as they are aware, engaged in any activity outside Trust's governance arrangements which could create new liabilities.
- 3.5 The re-integration is on course to deliver on achieving the transfer of staff, services and contracts by 1 February 2017, at which time the housing service will once again be delivered by the Council.
- 3.6 The next stage will be the legal dissolution of the Trust. The Council's Executive Director (Housing and Communities) and Head of Resources will continue to work with the Board until this process is complete. Ernst and Young will be appointed by the Board later this month to carry out the statutory functions associated with the wind-up of the Trust, which could take several months. Cabinet will be kept updated on progress.

#### **4 Legal Implication(s)**

- 4.1 As explained above all necessary legal requirements are being followed by the Council including the Novation of contracts, fulfilment of TUPE obligations, Transfer Agreement and the legal wind-up of the Trust through a registered insolvency practitioner.

#### **5 Financial Implication(s)**

- 5.1 A budget has been agreed for this process, within the existing resources of the Council and the Trust, as reported to Cabinet on 6 December 2017.

#### **6 Risk Management Implications**

- 6.1 The two key risks arising from the re-integration process were highlighted to Cabinet previously. These were reputational risk and failure to novate the contracts for delivery of key services to customers. These risks have been successfully managed throughout the process.
- 6.2 The risk relating to the transfer of liabilities from the Trust to the Council has addressed in 3.3 and 3.4 above.

#### **7 Security and Terrorism Implication(s)**

- 7.1 None directly arising from this report.

**8 Procurement Implication(s)**

8.1 The novation of contracts is a key task in this process, as described above. The Council's Procurement Manager has been involved throughout to ensure that the interests of the Council are served fully.

**9 Climate Change Implication(s)**

9.1 None directly arising from this report.

**10 Link to Corporate Priorities**

10.1 The subject of this report is linked to the Council's Corporate Priorities "Meet the borough's housing needs"

**11 Equality and Diversity**

11.1 Equality Impact Assessments for both the Council and the Trust have been carried out and no detrimental impact identified.

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Date	20 January 2017