

**NOW HOUSING/SHAREHOLDER GROUP MEETING 4 SEPTEMBER 2020
REPORT OF THE CHAIR, NOW HOUSING LIMITED**

NOW HOUSING PERFORMANCE UPDATE

1 Executive Summary

- 1.1 In January 2019 the Cabinet of Welwyn Hatfield Council approved the creation of a new wholly council-owned housing company to provide housing for local people whose needs cannot be easily met through the private or social rented sectors. The business plan for Now Housing Limited was approved in October 2019 and as part of the shareholder monitoring arrangements, regular updates on Now Housing's performance against the business plan are required to be presented to Cabinet Housing Panel.
- 1.2 The Board of Now Housing Limited and the council's Shareholder Group are in the final stages of agreeing the loan agreement, which forms the basis for the funding provision to the development and acquisition of homes through Now Housing.
- 1.3 Subject to approval of the transfer of a block at Chequersfield, the first Now Housing homes will be available to let from October 2020.
- 1.4 Now Housing has not yet started trading. Trading will commence upon final agreement of the loan arrangement and the handover of the company's first properties to let, in September/October 2020.
- 1.5 This report provides an update on Now Housing Activities to date.

2 Recommendation(s)

- 2.1 To note the progress made so far in the set up and operation of Now Housing Limited.

3 Explanation

- 3.1 In January 2019 Cabinet Members approved the establishment of a local housing company (Now Housing Limited) which is wholly owned by the council and limited by shares.
- 3.2 Cabinet Members delegated authority to the Corporate Director, (Housing and Communities) and Corporate Director, (Resources, Environment and Cultural Services) in

consultation with the Monitoring Officer, Executive Member, Housing and Communities and the Executive Member, Resources, to finalise all the necessary legal documentation including the Shareholder Agreement and Articles of Association as required to establish Now Housing and put in place appropriate governance arrangements.

- 3.3 Cabinet approved the objectives of the company, to be incorporated into the business plan of the company, as being:
- a) Provide good quality, well managed homes for residents in the borough of Welwyn Hatfield which people can afford to live in, and which complement the council's existing and planned housing provision.
 - b) Support the growing local demand for a mix of housing tenures by providing intermediate, low cost home ownership or open market homes and letting sub-market and market rented homes;
 - c) Be a financially robust company, generating a profit to be used for the purpose of providing more affordable housing and delivering financial returns to the shareholder;
 - d) Stimulate local housing regeneration and partnership working
- 3.4 In October 2019 Cabinet approved the Now Housing business plan 2019-25 and agreed that progress reports against the business plan would be provided on a quarterly basis to Cabinet Housing Panel. It is also a requirement that the business is subject to a review annually, with a full re-write every five years. The overall target of the business plan is for 372 homes over the life of the plan and at the time of its approval, the assumptions of the business plan provided for £77m of finance, required from the council.
- 3.5 Cabinet has appointed a shareholder representative group to ensure the exercise of the council's rights as shareholder. At the time of writing the Chair and vice-chair of the of the Board of the Housing Company were due to meet with the shareholder representative group on 4 September to formally agree and adopt the Shareholder Agreement and Articles of Association and to ratify the governance arrangements, as set out in the agreed schedule of delegations; an update was also to be provided on the general progress of the Housing Company since the business plan was first approved in October 2019.
- 3.6 Progress update
- Now Housing has appointed its Board, with Cabinet approval. Board Members are:
- Simone Russell, Chair (council)
 - Sian Chambers, vice-Chair (council)
 - Peter Gray (council)
 - Kerry Clifford (council)
 - Jo Savage (independent)
 - Michael Hadjimichael (independent)

3.7 Regular Board meetings have taken place. The main areas of activity have been:

- a) Finalise, in consultation with the shareholder group, the shareholder agreement and scheme of delegations – in preparation for agreement by the Shareholder Group.
- b) Negotiate the loan agreement between the council and the shareholder, to include revisions at the end of the first year of the business plan, based on the up to date assumptions
- c) Negotiate an overarching Service Level Agreement and associated service schedules, in relation to the services which will be provided by the council to Now Housing Limited
- d) Put in place all required legal and financial arrangements as required for the set-up of the company, including registration with Companies House, bank account facilities, appropriate insurance provision, data protection and health and safety arrangements.
- e) Exercise due diligence in ensuring that a robust risk map is in place and monitored at each Board meeting.
- f) Approve key operational policies, including tenancy management, rent setting, lettings.
- g) Consider the proposed acquisition of the first housing scheme for Now Housing Limited, at Chequersfield, Welwyn Garden City and explore other opportunities for housing delivery.
- h) Agree a communications plan and lettings arrangements for the first housing scheme, to coincide with a formal launch of Now Housing Limited during the autumn of 2020.

Implications

4 Legal Implication(s)

4.1 There are no additional legal implications arising from this progress report.

5 Financial Implication(s)

5.1 There is in place an approved business plan and, subject to agreement of both the council's Shareholder Group and Now Housing Limited Board, a mutually agreed loan agreement.

5.2 There are no additional financial implications arising from this progress report.

6 Risk Management Implications

6.1 Now Housing Limited has in place a comprehensive, Board approved risk map. This has been updated considering the Covid pandemic.

6.2 There are no additional risk implications arising from this progress report.

7 Security and Terrorism Implication(s)

7.1 There are no security and terrorism implications associated to this report.

8 Procurement Implication(s)

8.1 There are no procurement implications associated to this report.

9 Climate Change Implication(s)

9.1 There are no climate change implications associated to this report.

10 Human Resources Implication(s)

10.1 There are no Human Resources implications arising from this report. Now Housing Limited does not directly employ any staff.

11 Health and Wellbeing Implication(s)

11.1 There are no health and wellbeing implications directly arising from this report.

12 Communication and Engagement Implication(s)

12.1 A communications plan has been developed to launch Now Housing Limited upon the handover of its first housing scheme. Council Members will be invited to participate in the arrangements so that they can promote the council's positive work in innovating to meet local housing need.

13 Link to Corporate Priorities

13.1 The objectives of Now Housing Limited directly reflect the council's objectives: *Our Council – Housing Need, Affordable Homes*

14 Equality and Diversity

14.1 An Equality Impact Assessment has not been completed because this report does not propose changes to existing service-related policies or the development of new service-related policies.

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