

## **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 loan agreement between Now Housing Limited and the council has been finalised. This forms the basis for the funding provision for the development and acquisition of homes through Now Housing.
- 1.3 The purchase of the flat block at Chequersfield by Now Housing completed on 10 December 2020. The twelve flats were let immediately to local households in housing need and the feedback from the new tenants has been really positive. There has been 100% rent collection on these properties to date.
- 1.4 The Board of Now Housing continues to meet regularly, and all key policies have been signed off by the Board. There is also a robust risk assessment in place and now that the first homes have come into the ownership of Now Housing, the Board is receiving operational performance reports, against an agreed set of key performance indicators.
- 1.5 The first annual business plan review has been concluded. The business plan has been updated to reflect the most up to date position, based on the costs and timing of acquisitions, future housing developments and operating costs. There is growth in the number of homes to be delivered by Now Housing up to 2025, from 372 to 383.

#### **2 Recommendation(s)**

- 2.1 To note this performance update.

#### **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 The objectives of the company, are:
  - 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

### 3.3 Progress update

- 3.3.1 The loan agreement between Now Housing Limited and the council has been approved. This sets out the arrangements for the provision of funding to Now Housing, so that it can conduct transactions.
- 3.3.2 The first development was purchased by Now Housing from the council on 10 December 2020. The block of flats at Chequersfield comprises 12 one-bedroom properties. Tenants were drawn from households at the lower priority end of the borough's housing needs register. There was a great deal of interest and the 12 flats were let immediately after the block was acquired by Now Housing. There has been a great deal of positive feedback and this is included as Appendix 1 to this report. To date 100% of the rents due have been collected and there has no rent loss due to voids.
- 3.3.3 Now Housing will explore further opportunities brought forward, subject to following the procedures set out in the council's Housing Delivery Strategy. Cabinet Housing Panel will be updated on these new opportunities as they arise.
- 3.3.4 As required by the council, the business plan for Now Housing Limited is subject to annual review. The first review has been concluded. The business plan has been updated to reflect the most up to date position in terms of assumptions around the costs and timing of acquisitions and potential new developments and operating costs. There is marginal growth in the number of homes to be delivered by Now Housing, from 372 to 383. A business plan update is attached as Appendix 2.

## **Implications**

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

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

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

- 5.1 All Now Housing Limited transactions adhere to the provisions of the business plan and in accordance with the approved 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 There are no communication and engagement implications arising directly from this report.

**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. All operational policies developed by Now Housing are subject to Board-approved equality impact assessments.

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Date 12 February 2020

Attached – Appendix 1, Feedback comments from new tenants at Chequersfield  
Appendix 2 – Business Plan update 2020-2026