

The Wrekin Housing Group

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Contact: Catherine Rogerson

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Dear Jonathan

I am writing to you to request Cabinet Members' consideration and approval of a change to the governance structure of The Wrekin Housing Trust.

The Wrekin Housing Group Board recently reviewed its governance structure following an In-depth Assessment by the regulator, the Homes & Communities Agency. An In-depth Assessment (IDA) assesses registered providers to ensure compliance against the regulatory standards.

The feedback from the Homes & Communities Agency stated that:

"WHG needs to improve the effectiveness of its governance arrangements to enable it to manage the business at a group level more effectively and strengthen its oversight and control of group risks."

In order to achieve a more stream-lined and efficient structure, the proposal is to consolidate The Wrekin Housing Group (WHG) and The Wrekin Housing Trust (WHT). To achieve this both the WHG and the WHT would convert from companies limited by guarantee (and in WHT's case a registered charity) into Community Benefit Societies (CBS).

This would mean all the activities of the Group (including Care and Social Enterprise) and the Trust would be the responsibility of the new unified Board, rather than the Trust being a subsidiary partner as present.

To progress this we currently require the support of Telford & Wrekin Council. As a member of the company Telford & Wrekin Council has 26% of the votes on a resolution to amend the Articles and Memorandum which requires a 75% vote in favour. As such the Council hold what is known as the 'golden share'.

As you are aware on 15th September the Secretary of State published a draft of the 'golden share' regulations which removes that right for a local authority in their capacity as a company member. These regulations are awaiting formal approval by Parliament and it is anticipated they will take effect at the end of March 2018. This would remove the need for the support of the Council.

However the current arrangement, whereby the Council nominates a Board member, is not being changed in the legislation. Given that there has been considerable benefit from this arrangement we would be pleased if this continues.

The Wrekin Housing Group Board request that Telford & Wrekin Council confirm that they are agreeable to the proposed conversion and the transfer of the Group into the Trust. This will enable us to achieve conversion by January 2018 and a new unified Board, including the Council nominee, to be in operation from April 2018.

Yours sincerely

JOHN BROADHEAD
GROUP CHIEF EXECUTIVE