

WBC (Holdings) Limited

**Remit document in relation to Wokingham
Housing Limited Group**

March 2016

Table of contents

1	Context	Page 3
1.1	Introduction	Page 3
1.2	The purpose of the Remit document	Page 3
2.	The Company's Strategy	Page 3
2.1	Overall Objectives & Aims	Page 3
2.2	Performance in 2014-15	Page 4
2.3	Objectives & Aims for 2015-16	Page 5
3.	Governance	Page 6
3.1	Relationships between the Company and the Council	Page 6
3.2	WBC Holdings Limited	Page 6
3.3	Reporting performance to the Council	Page 6
3.4	Key Performance Indicators	Page 6
4.	Directors Authority	Page 7

1 Context

1.1 Introduction

The Wokingham Housing group of companies includes Wokingham Housing Limited and Loddon Homes Limited. These companies (collectively “the Company”) are private limited liability companies wholly owned by Wokingham Borough Council (“the Council”) through its shareholding in WBC (Holdings) Limited.

The Councils intention in setting up the Company is to contribute towards four objectives which are aligned with the Councils overall corporate agenda:

- Contribute to the discharge of housing duties and legislation
- Provide value for money
- Generate profits and pay dividends or alternatively savings for the Council

The Council's intention is therefore that the Company becomes a commercial, viable and sustainable company which has demonstrable value in terms of its resource and expertise.

1.2 The purpose of the Remit document

The Remit document is produced by the Council to supplement the 3 year and annual business plan for the Company, and sets out the Company's strategic objectives. It also sets out the procedures by which the Council monitors the strategic performance of the Company in its capacity as the sole shareholder in the Company.

The Remit document is set by the Board of WBC Holdings Limited (on behalf of the Council) after consultation with the Councils commissioners and officers, and the Company. The Company will implement the objectives of the Remit document through its own annual business plan. The Company and the Board of WBC Holdings Limited shall monitor the performance of the delivery of the business plan against the expectations within this Remit.

2 The Company's Strategy

2.1 Overall Objectives and Aims

The Council's long term high level objectives for the Company include:

Housing Development

- Delivery of the following agreed schemes, to time and on budget
 - Phoenix Crescent – 68 units of mixed tenure affordable housing dwellings as agreed by the Council
 - Foster Extra Care – 34 one bed affordable extra care units or a mix of extra care and short term reablement flats as agreed with the Council

- Barrett Crescent – 2 x 2 bedroomed flats on a mix of affordable rent and shared ownership as agreed with the Council
- Grovelands – 6 x 2 bedroomed houses on tenure or disposal as agreed by the Council
- Anson Walk – 2 x 1 bedroom flats and 2 x 2 bedroomed flats, all at affordable rents as agreed with the Council
- Norton Rd – 3 x 2 bedroomed houses and 6 x 2 bedroomed flats on tenure or disposal as agreed by the Council
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Development Opportunities

- Working collaboratively with the Council, to bring forward other development options with regard to the Council's land holdings or other options, always having regard to the Council's planning policies

Developer of Choice

To work collaboratively with the Council with regard to the development of affordable housing outside of the Strategic Development Locations and to ensure that s106 commuted sums earmarked for housing are used to develop housing in the borough in a timely fashion

- Workforce Commitment
- To employ a workforce of valued, high performing, motivated, committed and customer-focused staff. To ensure that the workforce feels empowered to deliver services that are appropriate, customer centric and right first time. To be the Employer of Choice for the local housing sector.

New Business

- Delivery of new business growth and income from outside of the Council to enable an ongoing financial return to continue to be delivered to the Council. To seek opportunities for growth where growth can be achieved within the framework provided or seek investment or resources from the Council.

Housing Policy

- To actively contribute to the Council's implementation of and compliance with national policy, directives, statutory guidance and instruments and statute as it affects the council's housing responsibilities. In particular to work as a strategic partner in the pursuit of the provision of the full range of affordable housing options.

2.2 Performance in 2014-15

Delivery

- The Company brought forward its programme for delivery of the two agreed schemes Phoenix Avenue and Fosters Extra Care in accordance with the project plan excepting some minor delay in procurement that will not adversely affect delivery target date.
- There have been no other significant issues in this reporting period.

Governance

- Significant changes in senior management personnel were successfully managed during the year, ensuring the stability of the company.
- Governance protocols have been significantly strengthened in the course of the year, ensuring effective oversight of the company by the board of directors and successful collaboration with Wokingham Borough Council stakeholders.

Project Service Delivery

- Wokingham Housing Ltd has worked constructively with the council to deliver key projects.

Financial Return to the Council

- The Company, by nature, cannot deliver a return to the Council until build out and tenancing of its major schemes and as such returns will not be provided until the 2017/18 financial period

3 Governance

3.1 Relationships between The Company and The Council

The Council has a number of relationships with the Company which serve distinct functions, namely:

- Shareholder – The Council owns 100% of the shares in the Company and appoints directors to the Board. This relationship is addressed through the Articles of Association which is the constitution of the Company supplemented by a Group Operating Protocol Document and this Remit Document. This shareholder monitoring role is discharged by the corporate shareholder as advised by the Board of WBC (Holdings) Limited.
- Commissioner of Services – The Council will commission the Company to deliver housing development on behalf of the Council and will monitor the performance of the Company (through the Services Agreement).
- Support services – The Council provides some back and middle office support functions to the Company in relation to accommodation etc. set out in a support Services Agreement and recouped on a fully recharged basis. By negotiation, Wokingham Housing Ltd may choose to vary the support services provided by the Council.

3.2 WBC Holdings Limited

The Board of WBC Holdings Limited will consist of elected members of the Council. The WBC Holdings Board will meet every calendar month as a minimum with invited attendees from the board of the Company and interested stakeholders.

3.3 Reporting Performance to The Council

The Company will report to the Board of WBC Holdings Limited its actual and projected operational and financial performance against the objectives agreed between the Council and the Company in accordance with the Annual Business Plan.

The agreed performance reporting will include:

- Report on key operational issues and events
- Risks, issues and mitigation
- Financial performance of the Company on a monthly basis
- Forward-looking projections of financial performance
- Additional issues or support required from the Council

3.4 Key Performance Indicators

The Council's key performance indicators for the Company are: -

Delivery of the currently agreed affordable housing schemes to time and budget

Bringing forward coherent plans for further development at scale to deliver c100 affordable homes per annum

Development of the commercial arm of the organisation to provide income to the Council through dividend

The Council requires the Company to set out in its three year business plan how the Company will deliver the expected performance over the period of the business case.

4 Directors Authority

The Directors shall only exercise their powers of management of the Company strictly in accordance with the Articles of Association and the Group Operating Protocol and shall immediately put in effect the directions and requirements of the Council as notified to the Directors by the Council (as being a resolution of the shareholder).