

## WRITTEN STATEMENT OF A KEY DECISION CABINET MEMBER HEALTH AND WELLBEING

<b>ITEM:</b>	<b>MERGER OF HEREFORDSHIRE HOUSING LTD AND SHROPSHIRE HOUSING GROUP</b>
Date of Decision:	13 July 2017
Exempt:	<b>Part Exempt – Appendix 1</b> ; Appendix 1 is exempt by virtue of paragraph 3 of the Access to Information Procedure Rules set out in the constitution pursuant to Schedule 12A Local Government Act 1972, as amended.
Confidential	No
A notice was served in accordance with Part 3, Section 9 (Publicity in connection with key decisions) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.	
Urgency/Special Urgency: (As defined in Constitution)	No
Purpose:	To approve the approach to be adopted by the council to the proposed merger between Herefordshire Housing Limited (HHL) and Shropshire Housing Group (SHG).
<b>Decision:</b>	<b>THAT:</b>  <b>(a) the council’s representative on the board of Herefordshire Housing Limited be guided to exercise the council’s golden share in support of the proposed merger of HHL with SHG.</b>
Reasons for the Decision:	The boards of HHL and SHG have provisionally agreed to the proposed merger of their organisations on the recommendation of their officers in order to further their interests and those of the people of Herefordshire and Shropshire. The council has a “golden share” in HHL which effectively allows it to veto or prevent any significant constitutional change by the housing provider, such as a merger. In exercising the golden share on the HHL board, the council’s representative should be guided by the view of the council’s executive and so act with its authority. Whilst it is not clear that the merger will bring positive benefits to Herefordshire’s residents, it may have the effect of protecting local assets, workforce and services from a volatile commercial and national policy environment. It is therefore recommended that the council’s representative votes in favour of the merger.
Options Considered:	1 The council could oppose the merger, or abstain from exercising the vote, which would prevent it from happening at this time. This option is not recommended since it would appear not to be necessarily in the interests of Herefordshire residents. In due course, new

	<p>regulations are likely to be introduced by government, which will have the effect of removing the council's influence over decisions of this kind, such that the merger may be considered likely to happen at some point in the future, regardless of the views of the council.</p> <p>2 The council could seek to defer any decision about the merger by HHL and SHG until the council's "golden share" has been removed from HHL's constitution by regulations which may be made by the secretary of state under the Housing Act 2016. This option is not recommended as it would have a very similar effect as the option to oppose the merger. There is no timetable currently for the government to bring forward the regulations which would remove the rights of councils such as golden shares, but it had previously been indicated that it was intended for this to be during 2017.</p> <p>3 The council could support the merger conditional upon assurances that the new organisation would support and implement the council's strategic requirements on key issues. These would include a new allocations system and expansion of supported housing. This option is not recommended as SHG and HHL have indicated concerns about such conditions. It is likely that this approach would lead to a deferral of the merger until the council's golden share has been eliminated.</p>
Conflict of Interest ■ (See below):	
Date the key decision is due to take effect:	20 July 2017

**COUNCILLOR P MORGAN** ..... Date: 13 July 2017  
**Cabinet member health and wellbeing**

■ a record of any conflict of interest declared by any executive member who is consulted by the member which relates to the decision;

And

■ in respect of any declared conflict of interest, a note of dispensation granted by the relevant local authority's head of paid service.