

**WAVERLEY BOROUGH COUNCIL**

**EXECUTIVE - 02/12/2014**

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**Title:**

**WAVERLEY INITIATIVES LIMITED**

**[Portfolio Holder: Cllr Robert Knowles]**

**[Wards Affected: All]**

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**Summary and purpose:**

The report explains that following the background work carried out on the viability of a Local Authority company and the Council's decision in July 2009 to incorporate Waverley Initiatives as a wholly-owned local authority company, the advantages that the Company appeared to offer are no longer relevant and the Company has been dormant since soon after its creation. The Board of the Company has now reviewed the situation and agreed that it is now appropriate to wind the Company up and request Companies House to strike-off the Company as it no longer offers any advantages for the further provision of affordable housing in the Borough.

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**How this report relates to the Council's Corporate Priorities:**

This report relates directly to the following Corporate Priorities

Subsidised Affordable Housing-Working for more affordable housing to be built and managing housing well

Improving lives-Improving the quality of life for all 'particularly the more vulnerable within our society

Value for Money-Ensuring all our activities are customer focussed and provide good value for money

**Financial Implications:**

The Company no longer offers any financial advantages to furthering the Council's objectives. There are minimal savings in no longer having to submit returns to Companies House.

**Legal Implications:**

As a wholly owned subsidiary of the Council, the Council has the maximum possible degree of control over the activities of Waverley Initiatives and the Council (as sole shareholder) can resolve to wind up the company. The Company Board has now agreed at a meeting to request its winding up, and the Council can now resolve to dissolve the Company and ask Companies House to strike it off the Register of Companies.

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## **Introduction**

1. Soon after the establishment of Waverley Initiatives the apparent advantages it gave to helping the Council provide social housing failed to materialise as a result of Government changes to regulations on void transfers. The HRA self-financing framework has also enabled Waverley to develop and deliver its own new affordable house building programme.
2. Since then the Company has been maintained as a dormant company and the appropriate returns made to Companies House. There has been no activity or spending under the Company's umbrella.
3. The Board now consists of three Councillors; the Leader and the Portfolio Holder for Housing and the former Portfolio holder for Finance. The Monitoring and Returning Officer is the Company Secretary.

## **Process for winding-up the Company**

4. The Companies Act provides for processes to wind-up the Company through asking Companies House to strike it off. There will be some small amount of staff time spent on the process and a fee of £20. After that the Company is removed from the Companies House Register.

## **Conclusion**

5. The benefits that setting up Waverley Initiatives seemed to offer have not materialised and it is appropriate now to wind up the Company so that the Council is no longer responsible for maintaining it. The Board asked the officers to reassure them that if, in the future, establishing a similar Company could offer some benefits to the Council this could be done quickly and at a small setting-up cost so that the potential benefits could be gained easily. Officers have researched this, and by using the existing company documents as a base this could be achieved within a few months and at a cost of around £5,000 for external legal advice.

## **Recommendation**

The Executive is recommended to

1. recommend to the Council that Waverley Initiatives Limited be wound up; and
2. ask officers to make the arrangements to achieve this and apply to Companies House for striking off the Company.

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## **Background Papers**

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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## **CONTACT OFFICER:**

**Name:** Robin Pellow

**Telephone:** 01483 523222

**E-mail:** robin.pellow@waverley.gov.uk