

ESSENTIAL REFERENCE PAPER 'A'

IMPLICATIONS/CONSULTATIONS

<p>Contribution to the Council's Corporate Priorities/ Objectives (delete as appropriate):</p>	<p>Priority 1 – Improve the health and wellbeing of our communities</p> <p>Priority 2 – Enhance the quality of people's lives</p> <p>Priority 3 – Enable a flourishing local economy</p> <p>The proposal is to set up a property investment company which will deliver quality homes in the private rental market and then consider the feasibility of building homes, including affordable homes in line with the council's planning policies.</p> <p>The provision of quality housing in all tenures plays a crucial role in meeting all three priorities, particularly, enhancing people's lives.</p>
<p>Consultation:</p>	<p>The proposals have been developed internally.</p>
<p>Legal:</p>	<p>Trowers and Hamblins solicitors have provided detailed advice on the legal aspects of establishing a housing company. Of note, Section 1 of the Localism Act 2011 provides local authorities with the power to do anything an individual may do, subject to a number of limitations. This is referred to as the 'general power of competence'. Section 4 of the Localism Act 2011 requires that where a local authority exercises the general power of competence for a commercial purpose it must do this through a company.</p> <p>Section 95 of the Local Government Act 2003 is also of relevance. The associated regulations, Regulation 2 of the Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009, require a business case to be prepared and approved by the Council before a company starts trading. This report includes the first draft of a business case for the housing company.</p>
<p>Financial:</p>	<p>Financial modelling has been developed by the Heads of Housing and Health and Finance and Property. Assumptions regarding tax have been included based on advice from PwC. The model is</p>

	<p>based on the acquisition of 25 properties over the first five years of the company's operation.</p> <p>Further financial information will be provided following the approval to set up a company</p>
Human Resource:	<p>There are no TUPE implications.</p> <p>It is envisaged that the company would not employ its own staff during its early stages of operation, and indeed perhaps not unless approval is given in future to embark on housing development.</p>
Risk Management:	<p>The overall project group has considered the risks of the project and risk log is regularly reviewed.</p>
Health and wellbeing – issues and impacts:	<p>The proposal is to set up a property investment company that will deliver quality homes in the private rental market and then consider the feasibility of building homes, including affordable homes in line with the council's planning policies.</p> <p>The provision of quality housing in all tenures plays a crucial role in meeting all three priorities, particularly, enhancing people's lives.</p>