

ESSENTIAL REFERENCE PAPER 'A'

IMPLICATIONS/CONSULTATIONS

<p>Contribution to the Council's Corporate Priorities/ Objectives:</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 report recommends the sale of the council's five existing residential properties to the Property Investment Company and the allocation of the necessary funding to enable this.</p> <p>The provision of good quality housing in all tenures, in this case well-managed and maintained private rented accommodation, 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.</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 before a company starts trading. This report adds a 30 year business plan to the business case approved by the Executive on 5 September 2017 and thus fulfils the requirements in the regulations.</p>
<p>Financial:</p>	<p>Savills Consultancy has confirmed the sound basis of the business plan model used. In addition, advice from PWC has been used to ensure the appropriate treatment of tax issues has been incorporated into the model.</p> <p>PWC has confirmed that the proposed approach is in line with EU guidance/state aid regulations and the operational metrics adopted by similar local authority owned companies.</p> <p>Approval of the recommendations will enable the company, once registered at Companies House, to</p>

	acquire the council's properties and commence trading.
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 expand significantly.</p>
Risk Management:	<p>The overall project group has considered the risks of the project and risk log is regularly reviewed.</p> <p>Detailed financial sensitivity testing has been carried out. The key outputs are included in the report. The sensitivity testing indicates that even with more pessimistic assumptions applied to all business plan modelling, the council would be able to derive revenue income and capital growth by operating the company as proposed.</p>
Health and wellbeing – issues and impacts:	<p>The provision of good quality housing in all tenures, in this case well-managed and maintained private rented accommodation, plays a crucial role in meeting the council's priorities, particularly, enhancing people's lives.</p> <p>Anticipated ancillary community benefits include:</p> <ul style="list-style-type: none"> • providing income to protect existing council services and/or fund emerging priorities • acting as a good private sector landlord, putting increasing pressure on poorer landlords to improve • providing a potential 'last resort' action to tackle poor standards in the private sector and/or remedy empty properties where both informal advice and enforcement have failed • increasing the availability of good quality private rented accommodation for those on short-term placements with local employers • providing good quality commercial premises to encourage business growth should the company expand into commercial property holding in the future.