

## 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 seeks approval of Millstream Property Investments Ltd's fully revised 30 Year Business Plan commencing 2019/20. The plan sees the company's residential stock rising to 49 properties by 2022/23, including nine affordable homes.</p>
<p>Consultation:</p>	<p>The draft plan has been considered by members of the Shareholder Advisory Group. The group has endorsed the plan.</p>
<p>Legal:</p>	<p>External advice was sought at the time of the company's inception. This advice continues to be followed.</p>
<p>Financial:</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>Most recently, CIPFA's advice has been sought on the treatment of commercial and shareholder loans. CIPFA have confirmed the council's and company's existing understanding, that is, that the commercial loans should be made with interest charged at rates likely to be available to the company in the open market, with the council able to dictate its own rates for the monies it is lending in its capacity as a</p>

	shareholder.
Human Resource:	There are no TUPE implications.
Risk Management:	<p>The company maintains a risk log which it discusses with the Shareholder Advisory Group.</p> <p>Financial sensitivity testing has been carried out. The sensitivity testing indicates that even when pessimistic assumptions are applied to business plan modelling, the plan is viable.</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"> <li>• providing income to protect existing council services and/or fund emerging priorities</li> <li>• acting as a good private sector landlord, putting increasing pressure on poorer landlords to improve</li> <li>• 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</li> <li>• increasing the availability of good quality private rented accommodation for those on short-term placements with local employers</li> <li>• providing good quality commercial premises to encourage business growth should the company expand into commercial property holding in the future.</li> </ul>