

Decisions taken by the Cabinet Committee: Housing on Monday, 10 July 2023

Agenda Item No	Topic	Decision	Reasons	Alternative Options
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Part A – Items considered in public

A8	Establishing a Local Housing Company (less exempt appendices)	<ol style="list-style-type: none"> 1. That the draft financial business plan included at exempt Appendix B of report CAB3406(H) be approved and refer to full Council for consideration. 2. That subject to approval of the financial business plan by full Council, the Strategic Director with housing responsibility be authorised to: <ol style="list-style-type: none"> a) Finalise the lease of one block of 41 one-bedroom flats at Winnall from the council to Venta Living Ltd. b) Approve General 	<p>Providing <i>Homes for all</i> is a key priority within the Council Plan, which includes supporting households who struggle to access affordable longer-term market housing. To support this priority the council has established a wholly owned local housing company, Venta Living Ltd.</p> <p>Report CAB3406(H) brings forward the final financial business plan for consideration required under the shareholder agreement with Venta Living Ltd, with an illustrative business model based on leasing 41 new flats in Winnall. It is underpinned by an alternative leasing model that</p>	<p>CAB3366 noted the potential alternatives to establishing a housing company and the risks they carried for the development at Winnall. These have been reviewed and updated below:</p> <ol style="list-style-type: none"> a) Let the units as affordable rented housing through a community lettings plan. This would not meet the community commitment to diversify tenure or the Winnall housing scheme project objectives. b) Let the units as affordable rented housing without a
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		<p>Fund capital expenditure of £150,000 for the equity investment in Venta Living Ltd by the council, which is a sufficient level of funding for working capital purposes.</p> <p>3. That the soft marketing of the units at Winnall by Venta Living Ltd be authorised so tenancies commence with the minimum of delay following completion subject to full Council agreeing the reserved matters.</p> <p>4. That appointment of Fiander Tovell Ltd as external auditors be referred for approval to full Council.</p>	<p>is considered to be the most economically advantageous for both the council and Venta Living Ltd and on balance, carries less risk than the model originally proposed for the general fund, but more for the HRA.</p> <p>The business case allows for future leasing opportunities to be considered on a case-by-case basis and fulfils the council’s commitment to the community to ensure a greater diversity of tenure on the Winnall estate.</p> <p>Approval of the proposed financial business plan and reserved matters will allow Venta Living Ltd to commence trading subject to agreement by full Council.</p>	<p>community lettings plan. This would also fail to meet the community commitment to diversify tenure or project objectives.</p> <p>c) Lease the units to a registered provider/enter into a joint venture arrangement. This approach was considered no less complex than establishing a housing company with the added risk of the council having far less overall control.</p> <p>d) Use as intermediate affordable housing, for instance, shared ownership sale or rent to buy (homes let at</p>

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		<p><u><i>That it be recommended to Council*:</i></u></p> <ol style="list-style-type: none"> 1. To agree the financial business plan as recommended by Cabinet Committee: Housing. 2. To approve the appointment of Fiander Tovell Ltd as external auditors to Venta Living Ltd as recommended by Cabinet Committee: Housing. <p><i>*NB recommendations to Council are not subject to call-in</i></p>		<p>sub-market rents which gives the tenant the opportunity to save for a deposit to buy the property). Both options provide the opportunity for tenure diversification. However, although they <i>may</i> be appropriate exit strategy options they carry risks, would not meet all project objectives and so are not favoured alternatives at present. Homes will (in the case of shared ownership), or may ultimately not (in the case of rent to buy), be available to the rented market and so this alternative would undermine project objectives. Furthermore, in the</p>

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				<p>case of shared ownership homes, the remainder of the development at Winnall is already earmarked as shared ownership and so there is a risk of market saturation and supply outstripping demand, particularly at a time of high interest rates. In the case of rent to buy, provision may need to be through a thrid party registered provider and the homes may not attract interest from a broader market than those who would normally seek affordable housing.</p>