

REPORT TITLE: ESTABLISHING A LOCAL HOUSING COMPANY

20 SEPTEMBER 2023

REPORT OF CABINET MEMBER: Councillor Chris Westwood, Cabinet Member for Housing

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WARD(S): ALL

PURPOSE

The purpose of this report is to seek council consideration of the reserved matters of the shareholder agreement with the council's wholly owned company Venta Living Ltd.

Following consideration on 10 July 2023 by Cabinet Committee: Housing, the draft financial business plan and appointment of auditors are recommended for approval.

Subject to council approving the financial business plan it is recommended that it pass a special resolution as sole shareholder of Venta Living Ltd to reduce the share capital to £150,000 reflecting the equity required by the financial business plan.

**RECOMMENDATIONS:**

1. To approve the draft financial business plan at exempt Appendix C as recommended by Cabinet Committee: Housing
2. Subject to approval of the financial business plan, agree to reduce the share capital of Venta Living Ltd from £300,000 to £150,000.
3. To approve the appointment of Fiander Tovell Ltd as external auditors to Venta Living Ltd as recommended by Cabinet Committee: Housing.

## 1 SUPPORTING INFORMATION

- 1.1 Venta Living Ltd has been established on the basis of share capital of £300,000 reflecting the equity required under earlier draft financial business plans. The draft financial business plan recommended for approval by Cabinet Committee: Housing in July 2023 requires £150,000 equity because it is based on an alternative model.
- 1.2 To amend the equity investment, the directors of Venta Living Ltd are required to make a resolution. The council as shareholder is required to make a special resolution to reduce the value of the share capital from £300,00 to £150,000.

## 2. OTHER OPTIONS CONSIDERED AND REJECTED

- 2.1 The share value could be left at £300,000. This is not recommended as it would require the council to invest £300,000 of equity in the company which is above what is required in the business plan. If the higher level of £300,000 is invested, it would be at the expense of £150,000 of capital receipts the council could invest in other activity, plus it would leave the additional equity as a balance for the company that would be subject to tax. As such it would not be tax efficient.

### BACKGROUND DOCUMENTS:-

#### Previous Committee Reports:-

CAB3406(H): *Establishing a Local Housing Company*  
Cabinet Committee: Housing, 10 July 2023

CAB3401: *Establishing a Local Housing Company*  
Cabinet, 16 March 2023

CAB3366: *Housing Company – Revised Options and Business Case*  
Cabinet, 14 December 2022

BHP022: *New Homes Programme Update*  
Business and Housing Policy Committee, 21 September 2021

Presentation: *Housing Development Strategy*  
Business & Housing Policy Committee 1 December 2020

CAB3160: *Establishing the Winchester Housing Company*  
Cabinet, 18 September 2019, and Council 25 September 2019

Presentation: *Housing Company*  
Business and Housing Policy Committee 18 June 2019

CAB3139(HSG): *Establishing the Winchester Housing Company*  
Cabinet (Housing) Committee 20 March 2019 and Cabinet 25 March 2019

CAB2990(HSG): *Establishing Local Housing Companies to Support New Homes Development*  
Cabinet (Housing) Committee 22 November 2017 and Cabinet 6 December 2017

CAB2911(HSG) – *Establishing Local Housing Companies to Support New Homes Development*  
Cabinet (Housing) Committee 22 March 2017

CAB2616(HSG): *Options for Increasing the Supply of Affordable Housing*  
Cabinet (Housing) Committee 1 October 2014

Other Background Documents:-

None.

APPENDICES:

Appendix A – Extract of the minutes of Cabinet Committee: Housing 10 July 2023

Appendix B – CAB3406(H), Establishing a Local Housing Company, Cabinet Committee: Housing 10 July 2023 with non-exempt appendices

Exempt Appendix C – exempt appendices accompanying CAB3406(H), Establishing a Local Housing Company, Cabinet Committee: Housing 10 July 2023