

b. Wholly Owned Housing Company

Implementation 2018

Potential annual income of £50,000 to £75,000.

1. Present Situation

The Council has recently set up a Housing Company which will provide accommodation in the rented sector while also tackling Homelessness which is an increasing problem. The company's structure was agreed at May 2017 Council and governance was agreed at June 2017 Council.

Income will be generated and passed on to the Council via a dividend. However significant dividends are unlikely to accrue until 2019/20 after which they could become substantial. Income to the Council's general fund in 2018/19 is likely to evolve around the cost of borrowing which is passed on to the Housing Company and is based on borrowing of around £3,500,000 at that time and savings on homeless expenditure. A more detailed proposal, explaining the timing of borrowing, expenditure and impact on housing will be brought to Council once the company's detailed business plan has been drafted and submitted to the new Council Advisory Board for review later in the calendar year.

2. Options

The Company has been set up and is ready to operate in accordance with the reports to members in May and June 2017. The first year of the business plan identifies an income stream of £50,000 which has been reflected in this paper. Additional income will be generated as the Company established itself.