

Cherwell District Council

Shareholder Committee

13 December 2023

Crown House Banbury Limited

Quarter Two Business Report 2023/24

Report of Steve Hinds, Shareholder Representative

This report is public with an appendix which is exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972.

Purpose of report

To note, comment and approve recommendations in response to Crown House Banbury Limited Quarter Two Business Report.

1.0 Recommendations

The **Shareholder Committee** is recommended:

- 1.1 To note and comment on the Crown House Banbury Ltd Quarter Two 2023/24 Business Report as contained in this report.

2.0 Introduction

- 2.1 This report sets out the in-year key strategic risks, performance, and financial update for the Crown House Companies for Quarter Two 2023/24.
- 2.2 The Crown House Companies Directors will attend the meeting to present an update on the operational delivery of Crown Apartments for comment and approval by the Shareholder Committee.

3.0 Report Details

- 3.1 This report contains information on the current financial position, revised year end position, progress against key performance indicators, key issues, risks, targets, and activities for current and the next quarter for the Crown House Companies for Quarter Two 2023/24.
- 3.2 The performance of Crown House continues to improve with voids and tenant turnover rates down and steady monthly rental income.

Key Performance Indicators

KPI	Performance Measure	Current Performance
% of Voids (at any one time)	5% or less of total residential units	8% based off the end of the last quarter. This is due to there being 2 unavailable units as a result of larger scale maintenance issues which have now been rectified.
Voids	5.	There are currently 4 voids as of the end of the last quarter.
% of Rent Arrears (excluding Utilities) for residential units	5% or less of Gross Income	14% as of the end of the last quarter. Legal action is being taken and the Court has awarded possession for the larger arrears cases, with notices being served on the smaller arrears cases where applicable.
% of Rent Arrears for car parking spaces	5% or less of Gross Income	14% based off the end of the last quarter. This is based off from one non payer at the end of the last quarter.
% of Bad Debt (Apartments)	1% or less of total income due from the 50 residential units	22% at end of last quarter (vacated arrears). Legal action is currently being taken
% of Tenant Turnover Rate	10% for the full year	1% per month based off last quarter.
Tenant Turnover Rate	3	1% per month based off last quarter
Time taken to let new tenancies	20 working days – (allowing for references and works required between tenancies)	45 days approx. (excl. unavailable units and early terminations which are prioritised to allow tenants to leave their contract early and minimise further financial obligations).
Monthly Reports to be submitted to Client	To be submitted no later than the next working day following the 9th of each month.	10 th working day of the month.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The electricity sub-metering programme has now commenced with both EON and the electrical contractors due to make contact with tenants shortly.
- 4.2 Contracted support continues to be reviewed, and an internal governance review took place in October.
- 4.3 Draft accounts have been prepared and the annual audit is currently underway.

5.0 Consultation

- 5.1 The recommendations in this report have been discussed between the Shareholder Representative, the Council's Section 151 Officer and Monitoring Officer and the Directors and Officers of the Crown House Companies as part of the regular Shareholder Liaison meetings which take place throughout the year.

6.0 Alternative Options and Reasons for Rejection

- 6.1 None

7.0 Implications

Financial and Resource Implications

- 7.1 The Council's finance team is in regular contact with the Directors and Officers of Crown House to ensure the latest financial projections have been considered and considered in the formulation of the Medium-Term Financial Strategy.

Comments checked by:

Michael Furness, S.151 Officer & AD – Finance. Telephone: 01295 2216845, Email: Michael.furness@cherwell-dc.gov.uk

Legal Implications

- 7.2 There are no legal implications arising directly from this report. Legal and governance advice is provided as required by the internal legal services team.

Comments checked by:

Shiraz Sheikh, Monitoring Officer & AD – Law, Governance & Democratic Services. Telephone: 01295 227981, Email: Shiraz.sheikh@cherwell-dc.gov.uk

Risk Implications

- 7.3 The risk implications are identified within Strategic Risk section of this report, these risks are managed and monitored between the Council as Shareholder and Crown House Companies as the Company. The regular reporting of risks is made to the Shareholder Committee. Where it is appropriate, the strategic risks relevant to the Shareholder (Council) will be monitored and managed as part of the corporate risk register and governance arrangements.

Comments checked by:

Celia Prado-Teeling, Performance and Insight Team Leader. Telephone: 01295 221556, Email: Celia.Prado-Teeling@cherwell-dc.gov.uk

Equalities and Inclusion Implications

- 7.4 There are no equalities and inclusion implications arising directly from this report.

Comments checked by:

Celia Prado-Teeling, Performance and Insight Team Leader. Telephone: 01295 221556, Email: Celia.Prado-Teeling@cherwell-dc.gov.uk

Sustainability Implications

7.5 There are no sustainability implications arising from this report.

Comments checked by:

Jo Miskin, Climate Action Manager. Telephone: 07900227103, Email: Jo.miskin@cherwell-dc.gov.uk

8.0 Decision Information

Key Decision N/A

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected

Banbury Wards

Links to Corporate Plan and Policy Framework

Business Plan - *Housing that meets your needs*

Lead Councillor

Not Applicable

Document Information

Appendix number and title

- None

Background papers

- None

Report Author and contact details

Nicola Riley
Nicola.riley@cherwell-dc.gov.uk