

This report is public	
Crown House Banbury Limited - Quarter One Business Report 2024/25	
Committee	Shareholder Committee
Date of Committee	16 Oct 2024
Portfolio Holder presenting the report	Leader of the Council, Councillor David Hingley
Date Portfolio Holder agreed report	8 October 2024
Report of	Steve Hinds, Shareholder Representative

Purpose of report

To note, comment and approve recommendations in response to Crown House Banbury Limited Quarter One 2024/25 Business Report.

1. Recommendations

The Shareholder Committee resolves:

- 1.1 To note and comment on the Crown House Banbury Limited Quarter One 2024/25 Business Report as contained in this report.
- 1.2 To note the temporary appointment of Councillor Rob Pattenden as a Director of the Crown House companies. This position will be reviewed at the end of the financial year to assess the recruitment of an independent NED, as this is best practice.

2. Executive Summary

- 2.1 This report sets out the in-year key performance and financial update for the Crown House Companies for Quarter One 2024/25.
- 2.2 The Crown House Companies Director will attend the meeting to present an update on the operational delivery of Crown Apartments.

Implications & Impact Assessments

Implications	Commentary
Finance	There are no financial implications arising directly from this report. Joanne Kaye, Head of Finance, 7 October 2024
Legal	The report sets out company performance to date against KPIs. The issue of an independent NED should be addressed as soon as

	possible, in line with best practice for council-owned companies. Shahin Ismail, Interim Head of Legal Services, 7 October 2024			
Risk Management	There are no risks arising directly from this report. If any risk arise, it will be managed through the service operational risk, and escalate to the Leadership Risk register as and when deemed necessary. Shahin Ismail, Interim Head of Legal Servies, 7 October 2024			
Impact Assessments	Positive	Neutral	Negative	Commentary
Equality Impact		X		N/A
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		N/A
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		N/A
Climate & Environmental Impact		X		N/A
ICT & Digital Impact		X		N/A
Data Impact		X		N/A
Procurement & subsidy		X		N/A
Council Priorities	Business Plan - <i>Housing that meets your needs</i> With the caveat that this is private sector housing provided by a separate commercial company rather than social housing provided directly by Cherwell District Council.			
Human Resources	N/A			
Property	N/A			
Consultation & Engagement	N/A			

Supporting Information

3. Background

- 3.1 In 2017 Cherwell District Council (CDC) acquired the shares of Crown House Banbury Ltd (CHB) from Brickmort Developments Ltd. The purpose of the company was to redevelop the unused and dilapidated property in its ownership in the town centre of Banbury.
- 3.2 In March 2020, Stevenage Developments Ltd completed the development (instructed by CHB).
- 3.3 The new development comprises 49 residential units (1 and 2-bed apartments) and 1 commercial unit.
- 3.4 CHB established Crown Apartments Banbury Ltd (CAB) and granted a long lease in order to create major interest (VAT-related) for its subsidiary company.
- 3.5 CHB transferred the management of the 50 residential units into CAB and kept the 1 commercial unit under direct management.

4. Details

- 4.1 Directors have sought additional professional expertise from CDC's Property team and have accepted a capped fee arrangement for support on refreshing the business plan and re-tendering the managing agent service, to ensure a continuation of high service standards and operation (**see exempt Appendix A**).
- 4.2 Directors have agreed to install CCTV in key locations within, and on the periphery of, Crown House Apartments in an attempt to curtail some small-scale vandalism and non-compliance with expected standards of behaviour from a small number of tenants.
- 4.3 All flats save for the last four are now on independent electric meters. These four can only be transferred once the last main meter is removed. However, we have been advised that the removal can only be carried out by the contractor that installed it in the first place and, unfortunately, that contractor has gone out of business. It is possible that EDF and Eon, working together, may be able to rectify this problem. Our management agent, Centrick have managed to get an appointment for both contractors to attend on 9 September and we hope, therefore, to be able to report at the next meeting that all flats are now independently metered.

4.4 The performance measures for Q1 are given below:

KPI	Performance Measure	Current Performance
% of Voids (at any one time)	5% or less of total residential units	0% at end of June
Voids	5	0 at end of June
% of Rent Arrears (excluding Utilities) for residential units	5% or less of Gross Income	2.46% of annual rent
% of Rent Arrears for car parking spaces	5% or less of Gross Income	0.75%
% of Bad Debt (Apartments)	1% or less of total income due from the 50 residential units	No debts have been written off as unrecoverable/bad debts based off the last quarter.
% of Tenant Turnover Rate	10% for the full year	10% at present stage
Tenant Turnover Rate	3	1
Time taken to let new tenancies	20 working days – (allowing for references and works required between tenancies)	Avg 30.75 days allowing for works for units & bank holidays
Monthly Reports to be submitted to Directors of Crown House Companies	To be submitted no later than the next working day following the 9th of each month.	Complying with 9 th working day of the month.

5. Alternative Options and Reasons for Rejection

5.1 No alternatives have been considered

6 Conclusion and Reasons for Recommendations

6.1 The company continues to operate and provide 49 units of housing in the private rented sector and let one commercial unit. The operation of the facility has been brought up to a standard that will attract new tenants as units become vacant. Car parking income holds steady, and the commercial unit operates successfully. Actions taken to strengthen the management and operation of the two companies will ensure continued lawful operation.

Decision Information

Key Decision	N/A
Subject to Call in	N/A
If not, why not subject to call in	N/A
Ward(s) Affected	Banbury Wards

Document Information

Appendices	
Appendix A EXEMPT	Proposal – property support for Crown House, Banbury
Background Papers	None
Reference Papers	None
Report Author	Nicola Riley, Crown House Director
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