

This report is public	
Crown House Banbury Limited - Quarter Two Business Report 2024/25	
Committee	Shareholder Committee
Date of Committee	11 December 2024
Portfolio Holder presenting the report	Leader of the Council, Councillor David Hingley
Date Portfolio Holder agreed report	02 December 2024
Report of	Stephen Hinds, Shareholder Representative

Purpose of report

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

1. Recommendations

The Shareholder Committee is recommended to:

- 1.1 Note and comment on the Crown House Banbury Limited Quarter Two 2024/25 Business Report as contained in this report.

2. Executive Summary

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

Implications & Impact Assessments

Implications	Commentary
Finance	There are no financial implications arising directly from this report. The council ensures that its medium term financial strategy reflects the financial implications of arrangements with Crown House. Michael Furness, Assistant Director of Finance (S151 Officer), 25 November 2024
Legal	There are no financial implications on the council arising from this report.

	Shiraz Sheikh, Assistant Director of Law and Governance and Monitoring Officer, 25 November 2024			
Risk Management	There are no risk implications arising directly from this report. Reported operational issues continue but the risk to the council of operating an arm's length housing company remains unchanged, this and other related risks are being managed through the operational risk and will be escalated to the Leadership Risk Register as and when deemed necessary. Celia Prado-Teeling, Performance & Insight Team Leader, 28 November 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		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		x		
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, arms-length, 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 company's purpose was to redevelop the unused and dilapidated property in its ownership in the town centre of Banbury. In March 2020, Stevenage Developments Ltd completed the development (instructed by CHB). The new development comprises 49 residential units (1 and 2-bed apartments) and one commercial unit. CHB established Crown Apartments Banbury Ltd (CAB) and granted a long lease to create major interest (VAT-related) for its subsidiary company. CHB transferred the management of the 49 residential units into CAB and kept the one commercial unit under direct management.

4. Details

- 4.1 Whilst the project to effect the transition to separate meters has continued, there has been a loss of confidence in the process by Directors who have instructed the manager to begin collating paperwork to present to the Energy Ombudsman. There has been no further switchover progress, and it now appears that there is confusion about which meter belongs to whom in commercial terms and who should be billed for the energy usage. There is currently double billing and a lack of transparency over intersecting responsibilities for the switching process. None of the firms involved, nor can the National Grid progress the project with Crown House.
- 4.2 The property's support proposal has been agreed upon and will commence in December. This will kick start the re-tendering process for a management agent and considering an in-house option to act on behalf of the company. A refreshed business plan and forecast will be presented at the next Shareholder committee meeting, reflecting the new interest rate of 1% agreed by Cherwell DC Executive.
- 4.3 New regulations regarding fire doors in residential settings, such as Crown House apartments, have required a review of the current fire doors on site, and quotes are being sought for the remedial works, which are estimated to cost £20,000.
- 4.4 The performance measures for Q2 are given below:

KPI	Performance Measure	Q1 Performance	Current Performance
% of Voids (at any one time)	5% or less of total residential units	0% at end of June	4%
Voids	5	0 at end of June	0
% of Rent Arrears (excluding Utilities) for residential units	5% or less of Gross Income	2.46% of annual rent	1%

% of Rent Arrears for car parking spaces	5% or less of Gross Income	0.75%	4.35%
% 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.	None for the last quarter
% of Tenant Turnover Rate	10% for the full year	10% at present stage	16%
Tenant Turnover Rate	3	1	3
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	23.5 days (average) allowing for works required between tenancies and bank holidays
Monthly Reports to be submitted to Client	To be submitted no later than the next working day following the 9th of each month.	9 th working day of the month.	Received 9 th working day of the month.

5. Alternative Options and Reasons for Rejection

5.1 The following alternative options have been identified and rejected for the reasons as set out below.

No alternatives have been considered

6 Conclusion and Reasons for Recommendations

6.1 The company continues to operate and provide 49 housing units in the private rented sector. The facility's operation 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	Yes
If not, why not subject to call in	N/A
Ward(s) Affected	Banbury Wards

Document Information

Appendices	
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Appendix	None
Background Papers	None
Reference Papers	None
Report Author	Nicola Riley
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Corporate Director Approval (unless Corporate Director or Statutory Officer report)	N/A