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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE SHAREHOLDERS COMMITTEE

THURSDAY 31ST JULY 2025

AT 6.00 P.M.

PARKSIDE SUITE - PARKSIDE

MEMBERS: Councillors K.J. May (Chairman), S. J. Baxter (Vice-Chairman), B. McEldowney and P. J. Whittaker

AGENDA

1. **Apologies for Absence**
2. **Declarations of Interest**
3. **Minutes of the Previous Meeting** (Pages 5 - 12)
4. **Performance Monitoring Report Quarter 1 2025/26** (Pages 13 - 18)
5. **Finance Report - April to June 2025** (Pages 19 - 34)
6. **To consider any urgent business, details of which have been notified to the Assistant Director of Legal, Democratic and Procurement Services prior to the commencement of the meeting and which the Chairman, by reason of special circumstances, considers to be of so urgent a nature that it cannot wait until the next meeting**

J. Leach
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

23rd July 2025

If you have any queries on this Agenda please contact
Jess Bayley-Hill

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Notes:

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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE SHAREHOLDERS COMMITTEE

14TH APRIL 2025, AT 6.00 P.M.

PRESENT: Councillors K.J. May (Chairman), S. J. Baxter, S. R. Colella, B. McEldowney and P. J. Whittaker

Group Leaders: Councillor C. A. Hotham and Councillor P. M. McDonald (In attendance to participate in the debate only.)

Board Members: Mr M. Bough, Ms D. Goodall and Ms J. Willis

Officers: Mr G. Revans, Ms A Delahunty and Mrs J. Bayley-Hill

1 **APOLOGIES FOR ABSENCE**

There were no apologies for absence.

2 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

3 **TO CONSIDER ANY URGENT BUSINESS, DETAILS OF WHICH HAVE BEEN NOTIFIED TO THE ASSISTANT DIRECTOR OF LEGAL, DEMOCRATIC AND PROCUREMENT SERVICES PRIOR TO THE COMMENCEMENT OF THE MEETING AND WHICH THE CHAIRMAN, BY REASON OF SPECIAL CIRCUMSTANCES, CONSIDERS TO BE OF SO URGENT A NATURE THAT IT CANNOT WAIT UNTIL THE NEXT MEETING**

There was no urgent business for consideration on this occasion.

4 **SPADESBOURNE HOMES BUSINESS PLAN 2025/26 (REPORT TO FOLLOW)**

The Spadesbourne Homes Limited Business Plan 2025/26 was presented for the Committee's consideration.

In considering the Business Plan, Members were asked to note the following:

- The Business Plan detailed the company's vision as well as the relationship between Spadesbourne Homes Limited and Bromsgrove District Council.
- The company's vision was to provide high quality private rented accommodation and to help support and complement other housing providers in the District, including Bromsgrove District Housing Trust (BDHT).

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- The Financial Regulations and Procurement Rules that formed appendices to the business plan had not been available to include in the agenda for the meeting as these had not yet been considered by the company's Board. These documents would therefore be provided for Members' consideration at the following meeting of the Committee.
- The Business Plan included selection criteria for eligible tenants. Members were asked to note that the focus was on housing people in housing need with local links.
- There was a lack of private rented accommodation available in Bromsgrove District and the housing units provided by Spadesbourne Homes Limited would help to address this gap.
- A Board of Directors had been appointed, which currently comprised three senior officers from Bromsgrove District Council. The Board was responsible for the day-to-day operation of the company.
- A Chair was due to be appointed to the Board and it was possible that independent members would be recruited as Non-Executive Directors to the Board at a later date.
- The company was already managing some properties and would aim to purchase more properties over time.
- Management of the houses owned by the company had been contracted out to a specialist estate management company.
- The Council would be providing financial assistance and ICT support to Spadesbourne Homes Limited moving forward.
- The company was anticipating a net income of £221,000 per annum.
- Rent levels had been identified and were detailed in the Business Plan. Rent levels had been proposed in accordance with the size of a property.

Once the Business Plan 2025/26 for Spadesbourne Homes Limited had been presented, Members discussed the following points in detail:

- The request that Members had made, prior to establishing Spadesbourne Homes Limited, that care leavers should be prioritised for housing. Members were advised that care leavers were supported to receive accommodation through the work of BDHT.
- The references to the company aiming to generate a small profit and what was intended by this. The Committee was informed that as a company, Spadesbourne Homes Limited was operating as a commercial enterprise and needed to cover costs. Any financial returns would be provided to the Council as the only shareholder in the company.
- The timeframes by which financial income for the company was likely to start generating a surplus. The Committee was informed that this had not yet occurred, although it was possible that this situation would change by the end of the following financial year.

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- The extent to which any additional Board members were likely to be recruited and whether they would receive financial remuneration. Clarification was provided that the aim would be to recruit an independent Non-executive Director to the Board and it was confirmed that any financial costs would be covered by Spadesbourne Homes Limited.
- The references in the report to the Land and Building Assets Group and the status of this group. Members were informed that this was a group of officers that met regularly to discuss potential land that might become available.
- The process that had been followed to select an external organisation to undertake estate management duties for the company. Clarification was provided that three potential providers had been contacted and the successful company had been the only organisation that had responded within policy.
- The level of flexibility in the housing criteria and the extent to which this could create a risk that potential tenants would be offered properties even when these offers fell outside the adopted policy. Members were informed that it was important to avoid fettering the discretion available to the company. Further clarification was provided that 82 per cent of residents at Allen Court had a local connection, whilst the remaining tenants had a slightly more distant connection, such as through their grandparents.
- The potential for the company to provide much needed accommodation in the private rented sector to key workers, such as nurses.
- The service charges that tenants were required to pay and the purpose of these charges. The Committee was informed that these service charges covered cleaning costs and also applied to units purchased by BDHT.
- The proportion of funding allocated to repairs in the first year.
- The arrangements whereby the management fees for the external company managing the estate were being addressed.
- The reference to the potential future purchase of smaller sites and what was defined as a smaller site. Clarification was provided that this related to sites of approximately 20 to 30 units. Options for potential purchase would be reviewed on a case-by-case basis and the viability of any smaller sites would need to be assessed prior to any decisions being taken.
- The extent to which there was a risk that Spadesbourne Homes Limited would invoice Bromsgrove District Council for services. The Committee was advised that the Council was more likely to invoice Spadesbourne Homes Limited for costs, due to the provision of support services to the company.
- The potential for insurance to be obtained by the company to help cover the risks arising from bad debts. Confirmation was provided that no such insurance had been obtained to date, however, this was something that the company would aim to address in future.
- The reasons why the company had not yet obtained insurance to cover bad debts. Members were advised that this was difficult to

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arrange at such an early stage because the company lacked any historic data to enable an estimate to be provided in discussions with potential insurers.

- The combined repairs and cleaning costs estimated in the Business Plan and the extent to which these estimates were relatively high.
- The charges levied by the estate management company for processing new properties for tenants. Confirmation was provided that there was an extra charge per property.
- The reference in the report to gross income and whether this should in fact have referred to net income.
- The fact that information had not been included in relation to the costs of Officer time and the need for insurance costs to also be incorporated.
- The potential need for the company to pay a proportion of revenue to the Government in tax, depending on the level of income generated and the need for this to be incorporated into future planning.
- The ongoing work to negotiate property insurance for the company. Members were asked to note that in the meantime there was coverage from the Council's insurers.
- The extent to which the locations in which properties owned by Spadesbourne Homes Limited were on adopted highways. Confirmation was provided that all of the properties owned by the company were situated on adopted highways.
- The arrangements in place to enable the company to purchase new properties and how this would be funded. The Committee was informed that it was likely that the company would need to request assistance from the Council at this stage of operation. Consideration would also need to be given to working in partnership with a social housing provider, such as BDHT.
- The corporate structure of Spadesbourne Homes Limited and the financial implications arising from this structure. Confirmation was provided that this was a limited company and therefore subject to corporation tax.

Due to concerns about the lack of insurance for bad debts in place for the company, Members requested that information be provided updating the Committee on the situation with regard to insurance at the following meeting, taking into account current rent arrears and whether this insurance was needed if rental payments were being received. Members also agreed that a full budget forecast needed to be developed for the company and provided for the Committee's consideration at the same meeting. Alongside this information, Members requested sight of the balance sheet for the company.

RESOLVED that the Spadesbourne Homes Limited Business Plan 2025-2026 be approved.

5

PERFORMANCE MONITORING REPORT FOR THE FIRST FEW MONTHS OF OPERATION 2024/25 (REPORT TO FOLLOW)

The Committee considered a report which focused on performance monitoring arrangements for Spadesbourne Homes Limited. A number of proposed Key Performance Indicators (KPIs) had been suggested in the report to enable Members to monitor the performance of the company and these were highlighted for Members' consideration.

In reviewing the content of the report, Members were asked to note that all of the properties owned by the company had been let out to tenants by the date of the Committee meeting. There were no voids or bad debts to report as of April 2025.

During consideration of this item, Members made reference to the content of the business plan for Spadesbourne Homes Limited 2025/26, which had referred to the company's aim to provide good quality and well managed homes. Members suggested that it would be useful to add a KPI to the tranche of proposed performance monitoring datasets which focused on this aim in relation to health and safety implications. To address this concern, the suggestion was made that a KPI could focus on the proportion of repairs that were resolved within a particular timeframe. In addition, a further KPI was suggested that would compare timeframes for completing repairs to other Council companies for housing.

Reference was made to the importance of tenant satisfaction and to consulting with residents. In this context, an additional suggestion was made by Members that there should be an annual tenant survey undertaken by the company.

In concluding their discussions in respect of this item, Members questioned whether there were any gas supplies to the properties owned by Spadesbourne Homes Limited. Clarification was provided that there was no gas supply on site and instead heat pumps were used for the properties.

RESOLVED that, subject to incorporating the additional measures detailed in the preamble above, the proposed measures to demonstrate how Spadesbourne Homes delivered performance against priorities, including operational measures, be approved.

6

BUDGET MONITORING REPORT FOR THE FIRST FEW MONTHS OF OPERATION 2024/25 (REPORT TO FOLLOW)

The Committee considered the Budget Monitoring Report for the 2024/25 financial year and in doing so noted that the company only started to operate in December 2024.

Members were advised that the company had been established with a loan of £50,000 from the Council. Spadesbourne Homes Limited had

received income of £62,000 and had had to meet management costs of £22,000 in this period.

Payments had been made to HM Revenue and Customs (HMRC), as the company was registered for value-added tax (VAT) in July 2024. It had taken some time to obtain suitable software to use for VAT returns and in this period, HMRC had charged the company for VAT returns. This issue had been resolved by the date of the Committee meeting and a refund was anticipated in due course.

Discussions were in the process of being held regarding insurance and audit arrangements for the company. Further updates would be provided to the Committee in respect of these matters in due course.

Reference was made by Members to the figures that had been recorded for management agency costs and concerns were raised that these appeared to be relatively high, at approximately a level equivalent to a third of the income from tenants. However, the Committee was advised that the figures reported in this instance were likely to be unusual because the lettings had all occurred around the same time when the company was launched. Over time, a more realistic picture would emerge in terms of these management costs, which were confirmed as being 6 per cent with an additional cost attached when the estate management company was required to find a new tenant. This covered administrative costs, reference checks and processing costs associated with setting up a tenancy. To help provide clarity to the Committee moving forward, Members suggested that it would be helpful for the management cost and the finders fee cost (for finding and processing new tenants) to be reflected separately in future budget monitoring reports.

Consideration was given to the £50,000 loan that had been provided by the Council to Spadesbourne Homes Limited when the company was established and questions were raised about the arrangements for the repayment of this loan. Members were informed that this had been an initial loan which the Council had agreed to grant to the company. The suggestion was made that the terms for the repayment of this loan should be reviewed further.

Finally, Members commented that Spadesbourne Homes Limited would be subject to paying ground rent to the Council for properties located on Council land. The suggestion was made that this needed to be investigated further and to be reflected in future budget monitoring reports to the Committee.

RESOLVED that

- 1) The position on the Spadesbourne Homes accounts as at 31st March 2025 be noted; and

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- 2) The current bank balance position for Spadesbourne Homes Limited as at 31st March 2025 be noted.

The meeting closed at 7.03 p.m.

Chairman

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31 July

Performance Monitoring Report Quarter 1 2025/26

Relevant Portfolio Holder	Councillor Karen May, Leader and Cabinet Member for Strategic Partnerships and Enabling
Portfolio Holder Consulted	Yes / No
Relevant Assistant Director	Judith Willis
Report Author	Matthew Bough Job Title: Strategic Housing Services Manager Contact email: matthew.bough@bromsgroveandredditch.gov.uk Contact Tel: 01527 64252 ext:3120
Wards Affected	All
Ward Councillor(s) consulted	No
Relevant Council Priority	All
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. RECOMMENDATIONS

The Shareholders Committee RESOLVE that:-

- 1) The Performance Monitoring Report Quarter 1 (Appendix 1) is note.
- 2) The following Repair target times are approved
 - a. Emergency Repairs – 24 Hours
 - b. Urgent Repairs – 7 days
 - c. Non-Urgent Repairs – 30 Days.

2. BACKGROUND

- 2.1 The Bromsgrove Shareholders Committee approved the Performance Measures at the meeting of 14 April 2025.
- 2.2 The Committee requested that repairs timeframes be included within the performance monitoring.
- 2.3. There are no target timeframes for the provision of repairs in the private rented sector, however it is proposed to use those that are standard within the social housing sector as below:
 - a) Emergency Repairs e.g. Heating system, Locks – **24 Hours**
 - b) Urgent Repairs e.g. Leak, electrics – **7 Days**
 - c) Non-Urgent – dripping tap, sticking door – **30 days**

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3. OPERATIONAL ISSUES

- 3.1 The performance monitoring report shows a good level of performance provided through Spadesbourne Homes with no complaints and 92% of repairs completed on time.
- 3.2. All Health & Safety requirements for the block of flats are up to date ensuring Allen Court remains safe for residents.
- 3.3 The percentage of rent arrears occurs due to the cross over in payments in relation to payment date. Only one property is currently in arrears.
- 3.3 It is proposed to run an annual survey of tenants annually in September.

4. FINANCIAL IMPLICATIONS

- 4.1 No financial implications have been identified.

5. LEGAL IMPLICATIONS

- 5.1 No legal implications have been identified.

6. OTHER - IMPLICATIONS

Local Government Reorganisation

- 6.1 There are no implications for Local Government Reorganisation.

Relevant Council Priority

- 6.2 Housing - Spadesbourne Homes provides energy efficient homes and helps to balance the housing market by supplying private rented housing in the district.

Climate Change Implications

- 6.3 None as a direct result of this report

Equalities and Diversity Implications

- 6.4 None as a direct result of this report

7. RISK MANAGEMENT

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7.1 None as a direct result of this report

8. APPENDICES and BACKGROUND PAPERS

8.1 Minutes of shareholders committee 14 April 2025.

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Cllr Karen May	.
Lead Director / Assistant Director	Judith Willis	21/07/25
Financial Services	Deb Goodall	21/07/25
Legal Services	N/A	
Policy Team (if equalities implications apply)	N/A	
Climate Change Team (if climate change implications apply)	N/A	

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SPADESBOURNE HOMES LTD PERFORMANCE MONITORING 2025/26					
		Quarter 1 (Q1)			
		Apr	May	Jun	Q1 Total
PERFORMANCE INDICATORS					
% of units let	Quarterly	100%	100%	100%	100%
% of total rent role collected	Quarterly	90%	97%	78%	89%
% of rent arrears	Quarterly	10%	3%	22%	11%
Average void time	Quarterly	0	0	7 days	7 days
Number of complaints	Quarterly	0	0	0	0
Complaints responded to within target	Quarterly	0	0	0	0
Number of repairs	Quarterly	4	7	2	13
Repairs completed within timeframe	Quarterly	3	7	2	92%
Average repair time	Quarterly	5 days	4 Days	4 Days	4.3 days
Number of tenants meeting local connection criteria	Quarterly	100%	100%	100%	100%
HEALTH & SAFETY					
Emergency Lighting monthly check	Monthly	Complete	Complete	Complete	Complete
Door fire safety check - communal areas	Monthly	Complete	Complete	Complete	Complete
Lift Servicing	Quarterly				Complete
Emergency Lighting service	Annual				N/A
Smoke Alarm service	Annual				N/A
Dry Riser service	Annual				N/A
Fire & General Risk Assessment	Annual				N/A
Water Sampling	Annual				N/A
Lightening Protection	Annual				N/A

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BROMSGROVE DISTRICT COUNCIL

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Spadesbourne Homes Limited

Finance Report 205/26 – April 2025 to June 2025

Relevant Portfolio Holder	Councillor Karen May, Leader and Cabinet Member for Strategic Partnerships, Economic Development and Enabling
Portfolio Holder Consulted	Yes
Relevant Head of Service	Debra Goodall
Report Authors	Assistant Director of Finance and Customer Services Debra.Goodall@bromsgroveandredditch.gov.uk
Wards Affected	All Wards
Ward Councillor(s) consulted	No
Relevant Council Priorities	All
Non-Key Decision	
If you have any questions about this report, please contact the report author in advance of the meeting.	

1. **RECOMMENDATIONS**

The Shareholder's Committee is asked to RESOLVE that:

- 1) The position on the Spadesbourne Homes accounts as at 30th June 2025 be noted.
- 2) The balance sheet for Spadesbourne Homes as at 30th June 2025 be noted.
- 3) The revised draft budget for 2025/26 for Spadesbourne Homes be noted.
- 4) The Financial Regulations, an appendix to the Spadesbourne Homes Limited Business Plan, be approved.
- 5) The Procurement Regulations, an appendix to the Spadesbourne Homes Limited Business Plan, be approved.

2. **BACKGROUND**

2.1 The purpose of this report is to set out Spadesbourne Homes Limited's financial position for the financial year to date (30th June 2025). This report presents:

- Spadesbourne Homes Limited's management accounts as at 30th June 2025. This reflects net income of £57,601 and expenditure of £13,380.
- The balance sheet position as at 30th June 2025 which reflects a bank balance of £143,299, debtors of £4,174 and creditors of £63,326.
- The revised draft budget for 2025/26 for Spadesbourne Homes which shows a loss of £5,936.

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- 2.2 Spadesbourne Homes Limited was incorporated on 18th September 2023 with a year end of 30th September. On 14th May 2025, a Change of Accounting Reference Date form was filed with Companies House to amend the year end to 31st March to align it with the Council year end. Dormant accounts were filed for Spadesbourne Homes for the year ending 30th September 2024. The year end is on 31st March 2026.
- 2.3 The company was set up with a loan of £50,000 from Bromsgrove District Council. The Council did not put in place arrangements for interest payments on the loan.
- 2.4 It was agreed at the Shareholders Committee meeting of the 14th April 2025 that the Financial and Procurement regulations would be brought to a future meeting.

3. DETAILED PERFORMANCE

Financial Performance

- 3.1 The company has received tenancy income of £57,601 between April and June, with management agency costs of £13,328 and other expenditure of £52.
- 3.2 The overall position for the period April to June was net income of £44,221 and is shown in Appendix A to this report.

Balance Sheet

- 3.3 The balance sheet position is shown as Appendix B to this report.
- 3.4 The closing balance on the bank account as at 31st March 2025 was £85,751. The position as at 30th June 2025 is £143,299.
- 3.5 The balance sheet does not reflect any fixed assets. The land and buildings are leased from Bromsgrove District Council and therefore will be reflected on the Council's balance sheet.
- 3.6 The company has made payments on account to HMRC of £4,174 for VAT during January / February 2025 while the process of setting up the relevant software to enable the VAT returns was taking place. As tenancy income to date has been treated as exempt, the latest VAT return submitted has been a nil return resulting in an anticipated refund of £4,174. This is reflected as a debtor on the balance sheet.
- 3.7 There is also expenditure of £13,328 for Service Charge for the period April – June 2025 which has been made in advance.
- 3.9 The loan of £50,000 provided by Bromsgrove District Council to Spadesbourne Homes is reflected within creditors: amounts falling due after one year.

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Revised Budget 2025/26

- 3.10 As part of the Business Plan presented to the Shareholders meeting in April, it was agreed that a revised budget for 2025/26 would be presented to this meeting. This is attached as Appendix C for consideration.
- 3.11 The revised budget reflects Spadesbourne Homes making a loss of £5,936 in 2025/26.
- 3.12 The Financial Regulations and the Procurement Regulations for Spadesbourne Homes Ltd have been approved by the Spadesbourne Homes Board on the 30 April 2025 and are attached at Appendix D & E.

4. Legal Implications

- 4.1 No Legal implications have been identified.

5. Council Priority Implications

Relevant Council Priority

- 5.1 Spadesbourne Homes ensures we focus on our key strategic issues and what are most important for the District and our communities. Our Financial monitoring and strategies are integrated within all of our Strategic Purposes.

Climate Change Implications

- 5.2 None as a direct result of this report.

6. Other Implications

Local Government Reorganisation Implications

- 6.1 There are no implications for Local Government Reorganisation.

Customer / Equalities and Diversity Implications

- 6.2 None as a direct result of this report.

Operational Implications

- 6.3 None as a direct result of this report.

7. RISK MANAGEMENT

- 7.1 None as a direct result of this report.

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8. APPENDENCES

- 8.1 Appendix A – Management Accounts April – June 2025
- Appendix B – Balance Sheet as at 30 June 2025
- Appendix C – Revised draft budget 2025/56
- Appendix D – Financial Regulations 2025
- Appendix E – Procurement Regulations 2025

AUTHOR OF REPORT

Name: Debra Goodall – Assistant Director of Finance and Customer Services
(Director of Spadesbourne)

E Mail: Debra.Goodall@bromsgroveandredditch.gov.uk

BROMSGROVE SHAREHOLDERS COMMITTEE

APPENDIX A

31 JULY 2025

MANAGEMENT ACCOUNTS April - June 2025		
		£
Income		
Tenancy Income		(57,601)
Total Income		(57,601)
Expenditure		
Service Charge		13,328
Maintenance costs		
Other expenses		52
Total Expenditure		13,380
NET INCOME/ (EXPENDITURE)		(44,221)

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APPENDIX B

31 JULY 2025

Balance Sheet		30-Mar-25		30-Jun-25
		£		£
<i>Fixed Assets</i>				
Intangible Assets				
Tangible Assets				
Heritage Assets				
Investments				
<i>Current Assets</i>				
Stocks				
Debtors		30,826		17,500
Investments				
Cash in bank and in hand		85,751		143,299
Creditors: amounts falling due within one year				
Net current assets / (liabilities)				
Creditors: amounts falling due after one year:		(50,000)		(50,000)
Provisions for liabilities				
TOTAL NET ASSETS/ LIABILITIES		66,577		110,799

BROMSGROVE SHAREHOLDERS COMMITTEE

APPENDIX C

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Spadesbourne Homes Ltd

Budget 2025/26

Income

Dwelling Rents	(400,200)
Service Charges	(17,197)
Total Income	(417,397)

Expenditure

<u>Salary costs</u>	
Directors' salaries (Note 1)	104,758
Other salary secondments (Note 2)	86,429
Finance recharges (Note 3)	37,821
Principle Tenancy (6% rental income)	24,012
Service Charges	60,839
Bad debt (2.5%)	10,004
Void Loss (2%)	8,004
Repairs (10%)	40,020
Audit fees	12,000
Valuation fees	5,000
Insurance costs	19,145
Premises overheads	15,000
Bank Charges	300
Total Expenditure	423,333
Net (Profit) / Loss	5,936

Note 1

Includes costs of Director time

Note 2

Includes costs of support services staff

Note 3

Includes Treasury Management, costs of Tech One system and support, exchequer services, management accounting and VAT

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Financial Regulations for Spadesbourne Homes Limited

1. Introduction

These Financial Regulations set out the principles and procedures for managing the financial affairs of Spadesbourne Homes Limited. Spadesbourne Homes is wholly owned by Bromsgrove District Council and operates as a limited company.

2. Responsibilities

The Board of Directors (appointed by Bromsgrove District Council) is responsible for overseeing financial matters.

All staff including Directors, employees and contractors must comply with these regulations.

All staff shall act in accordance with Bromsgrove District Council's anti-fraud and anti-corruption policies.

Any financial irregularities should be reported to the Board of Directors and the Section 151 Officer for Bromsgrove District Council.

3. Budgeting and Financial Planning

A Director shall be appointed to prepare an annual budget in consultation with the Board.

The budget shall be approved by the Board and submitted to Bromsgrove District Council for review through the Shareholders Committee

Regular financial forecasts shall be prepared to monitor performance against the budget and reported on a quarterly basis to the Shareholders Committee.

4. Procurement and Contracts

Procurement shall follow Spadesbourne Homes procurement policy.

All contracts shall be approved in accordance with the scheme of delegation in place in Section 13.

Orders shall not be issued for goods, work or services without appropriate funding being in place as approved by the Board of Directors.

5. Orders and Payments

No payment shall be made without an authorised order, unless otherwise agreed by two Directors.

All orders given on behalf of Spadesbourne Homes Limited will be approved in electronic or written form in accordance with authorised signatory limits.

Works, goods and services received are checked to ensure they are in accordance with the order and payments are certified by a Director.

All appropriate payment documentation are retained and stored for the defined period (in accordance with Bromsgrove District Council Records Management Policy).

References to certification and authorisation are deemed to include those made online within a system where the identity of the user is verified using the system's identification protocols.

6. Income and income collection

The Board of Directors will agree arrangements for the collection of all income and approve systems and procedures. These must ensure that income due is identified, charged correctly and billed promptly, paid into Spadesbourne Homes Limited's bank account and properly recorded.

Write offs for uncollectable debts must be approved two Directors from the Board and those above £5,000 will be reported through to the Shareholders Committee on an annual basis.

7. Financial Reporting

Financial reports shall be provided to the Board on a regular basis, including income, expenditure, and cash flow.

Annual financial statements shall be prepared in accordance with accounting standards.

The Directors shall ensure timely submission of financial reports to the Shareholders Committee.

8. Banking and Investments

Spadesbourne Homes Limited shall maintain a bank account for its operations. The Board of Directors shall be authorised to open and operate such bank accounts as considered necessary. This authority shall include the power to give necessary direction to the bank as to signatures for withdrawals.

Surplus funds shall be invested in accordance with Bromsgrove District Council's investment policy. Cash flow will be managed by Council Finance staff on a daily basis and negotiations will be undertaken with the Council regarding a facility for short term borrowing.

9. Controls

The Directors shall establish and maintain effective internal controls.

Regular internal audits shall be conducted to assess compliance with these regulations. An annual external audit will be required to be undertaken by an external / independent auditor.

10. Financial Records

Proper financial records shall be maintained, including invoices, receipts, and bank statements.

Records shall be retained as required by law and in accordance with the Bromsgrove District Council Records Management policy.

11. Reporting to Bromsgrove District Council

Spadesbourne Homes Limited shall provide regular financial updates to Bromsgrove District Council through the Shareholders Committee

Any significant financial issues shall be promptly reported to Bromsgrove District Council.

12. Review and Amendments

These regulations shall be reviewed annually by the Board.

Amendments shall be approved by the Board. Appropriate assurance should be undertaken to ensure that any amendments to the regulations are in accordance with Bromsgrove District Council Financial Procedure Rules.

13. Scheme of delegation and urgent decisions

Directors are able to approve up to £10,000 individually. Any expenditure above this threshold will require sign off by more than one Director.

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Procurement Strategy and Guidance for Spadesbourne Homes Ltd

1. Introduction

This procurement strategy is set out for Spadesbourne Homes Ltd.

2. Objectives

- **Ensure Value for Money (VfM):** Achieve the best possible outcomes for Spadesbourne Homes and its stakeholders by obtaining goods and services at the most advantageous combination of cost, quality, and sustainability.
- **Promote Transparency and Accountability:** Maintain clear and open procurement processes to build trust and ensure compliance with legal and regulatory requirements.
- **Support Local Economy:** Prioritise local suppliers to boost the local economy and foster community development.
- **Sustainability:** Incorporate sustainable practices in procurement to minimise environmental impact.

3. Procurement Principles

- **Fairness:** Ensure all suppliers are treated equally and fairly.
- **Competition:** Encourage competition to drive innovation and cost-effectiveness.
- **Integrity:** Maintain high ethical standards and avoid conflicts of interest.
- **Efficiency:** Streamline procurement processes to reduce time and cost.

4. Procurement Process

1. **Needs Assessment:**
 - Identify and document the specific needs of the business.
 - Engage stakeholders to understand their requirements and expectations.
2. **Market Research:**
 - Conduct market research to identify potential suppliers and understand market conditions.
 - Evaluate the capabilities and reliability of suppliers.
3. **Procurement Planning:**
 - Develop a procurement plan outlining the procurement activities, timelines, and responsibilities.
 - Set clear criteria for supplier selection based on quality, cost, and sustainability.
4. **Supplier Selection:**
 - Issue a Request for Quotation (RFQ) or Request for Proposal (RFP) to potential suppliers.
 - Evaluate proposals based on predefined criteria and select the most suitable supplier.
5. **Contract Management:**
 - Negotiate and finalise contracts with selected suppliers.
 - Monitor contract performance to ensure compliance with terms and conditions.

6. Performance Evaluation:

- Regularly assess supplier performance and provide feedback.
- Implement corrective actions if necessary to address any issues.

5. Procurement Levels and Legal Requirements

To ensure adherence to UK legal requirements, the company should consider the following procurement levels:

1. **Micro-Purchases (up to £10,000):**
 - No competitive quotations are required.
 - Ensure purchases are distributed equitably among qualified suppliers.
2. **Small Purchases (£10,001 to £50,000):**
 - Obtain at least three competitive quotations.
 - Document the selection process and rationale for the chosen supplier.
3. **Large Purchases (over £50,000):**
 - Follow a formal procurement process, including issuing a public tender.
 - Ensure compliance with the Public Contracts Regulations 2015 and other relevant legislation.

6. Guidance for Implementation

- **Training:** Provide training for directors and staff involved in procurement to ensure they understand the processes and principles.
- **Documentation:** Maintain thorough documentation of all procurement activities to ensure transparency and accountability.
- **Technology:** Utilise procurement software to streamline processes and improve efficiency.
- **Continuous Improvement:** Regularly review and update procurement policies and procedures to adapt to changing needs and market conditions.

7. Risk Management

- **Identify Risks:** Recognise potential risks in the procurement process, such as supplier failure or cost overruns.
- **Mitigation Strategies:** Develop strategies to mitigate identified risks, such as diversifying the supplier base and setting contingency plans.

8. Issuing a Public Tender

Issuing a public tender involves several key steps to ensure transparency, fairness, and compliance with UK procurement regulations. Here's a detailed guide:

1. **Identify the Need:**
 - Clearly define the goods, services, or works required.
 - Engage with stakeholders to ensure all requirements are captured.

2. **Prepare the Tender Documentation:**
 - **Specification:** Detail the requirements, including technical specifications, quality standards, and delivery timelines.
 - **Evaluation Criteria:** Define how bids will be assessed, including the weightings for cost, quality, and other factors.
 - **Terms and Conditions:** Include contractual terms, payment schedules, and any legal requirements.
3. **Advertise the Tender:**
 - **Find a Tender Service (FTS):** Publish the tender notice on the FTS, the UK's official platform for public sector contracts over £118,000.
 - **Contracts Finder:** For contracts over £12,000, also publish on Contracts Finder to reach a wider audience.
 - **Other Platforms:** Consider additional platforms such as local newspapers, trade publications, and industry websites.
4. **Manage Supplier Enquiries:**
 - Provide a clear point of contact for suppliers to ask questions.
 - Ensure all questions and answers are shared with all potential bidders to maintain fairness.
5. **Receive and Open Bids:**
 - Set a clear deadline for bid submissions.
 - Ensure bids are opened in a secure and transparent manner, typically by a designated procurement officer.
6. **Evaluate Bids:**
 - **Compliance Check:** Ensure all bids meet the mandatory requirements.
 - **Scoring:** Evaluate bids based on the predefined criteria and weightings.
 - **Clarifications:** If necessary, seek clarifications from bidders to fully understand their proposals.
7. **Award the Contract:**
 - **Decision:** Select the winning bid based on the evaluation scores.
 - **Notification:** Inform all bidders of the outcome, providing feedback to unsuccessful bidders if requested.
 - **Contract Award Notice:** Publish a contract award notice on the FTS and Contracts Finder.
8. **Contract Management:**
 - **Finalise Contract:** Ensure all contractual terms are agreed upon and signed.
 - **Monitor Performance:** Regularly review the supplier's performance against the contract terms.
 - **Manage Changes:** Handle any contract variations or issues that arise during the contract period.
9. **Post-Contract Review:**
 - Conduct a review to assess the procurement process and supplier performance.
 - Document lessons learned to improve future procurement activities.

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