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BROMSGROVE DISTRICT COUNCIL

MEETING OF THE SHAREHOLDERS COMMITTEE

THURSDAY 30TH JULY 2026
AT 6.00 P.M.

PARKSIDE SUITE - PARKSIDE

MEMBERS: Councillors K.J. May (Chairman), P. J. Whittaker (Vice-Chairman), S. T. Nock, K. Taylor and S. A. Webb

AGENDA

1. **Apologies for Absence**

2. **Declarations of Interest**

3. **Performance Monitoring Report – Quarter 4 2025/26** (Pages 5 - 10)

4. **Financial Monitoring Report – Outturn 25/26** (Pages 11 - 16)

5. **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**

6. **To consider, and if considered appropriate, to pass the following resolution to exclude the public from the meeting during the consideration of item(s) of business containing exempt information:-**

"**RESOLVED**: that under Section 100 I of the Local Government Act 1972, as amended, the public be excluded from the meeting during the consideration of the following item(s) of business on the grounds that it/they involve(s) the likely disclosure of exempt information as defined in Part I of Schedule 12A to the Act, as amended, the relevant paragraph of that part, in each case, being as set out below, and that it is in the public interest to do so:-

Item No.	Paragraph(s)	
7	3	
8	3	“

7. **Minutes of the Previous Meeting** (Pages 17 - 26)

8. **Spadesbourne Homes Limited - Finance and Governance Update Report** (Pages 27 - 44)

J. Leach
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
B61 8DA

22nd July 2026

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

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Please note that this is a public meeting.

If you have any questions regarding the agenda or attached papers, please do not hesitate to contact the officer named above.

GUIDANCE FOR ELECTED MEMBERS AND MEMBERS OF THE PUBLIC ATTENDING MEETINGS IN PERSON

Members of the public are welcome to attend meetings of this committee to observe proceedings.

Notes:

Although this is a public meeting, there are circumstances when Council might have to move into closed session to consider exempt or confidential information. For agenda items that are exempt, the public are excluded.

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BROMSGROVE DISTRICT COUNCIL

Bromsgrove Shareholders Committee 30 July 2026

Performance Monitoring Report Quarter 4 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 Q4 (Appendix 1) is approved.

2. BACKGROUND

2.1 The Bromsgrove Shared Holders Committee approved the Performance Measures at the meeting of 14 April 2025.

2.2 Target timeframes for the provision of repairs
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**

3. OPERATIONAL ISSUES

3.1 The performance monitoring report shows a good level of performance provided through Spadesbourne Homes. In Q4 100% of repairs have been completed on time giving a cumulative total of 97% over the year.

3.2 There were 6 voids during the quarter with a total of 16 over the year. The business case provided for void costs at 5% of rental income.

3.2. All Health & Safety requirements for the block of flats are up to date ensuring Allen Court remains safe for residents.

3.3 A proportion of rent arrears occurs due to the cross over in payments in relation to payment date due to tenancies starting on any day.

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

Relevant Council Priority

6.2 Hosing - 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

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	30/03/2026
Lead Director / Assistant Director	Judith Willis	21/07/2026

SPADESBOURNE HOMES LTD PERFORMANCE MONITORING 2025/26					
		Q1	Q2	Q3	Q4
Statement		11	12	13	14
PERFORMANCE INDICATORS					
% of units let	Quarterly	100%	96.00%	90.00%	100%
% of total rent role collected	Quarterly	89%	87%	75%	82%
% of rent arrears	Quarterly	11%	13%	25%	18%
Number of Voids	Quarterly	3	3	4	6
Average void time	Quarterly	7 days	16 days	30 days	30 days
Number of complaints	Quarterly	0	0	6	0
Complaints responded to within target	Quarterly	0	0	2	0
Number of repairs	Quarterly	13	6	6	13
Repairs completed within timeframe	Quarterly	92%	100%	100%	100%
Average repair time	Quarterly	4	3	5	4
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	Complete	Complete	Complete
Emergency Lighting service	Annual	N/A	N/A	Complete	N/A
Smoke Alarm service	Annual	N/A	N/A	Complete	N/A
Dry Riser service	Annual	N/A	N/A	Complete	N/A
Fire & General Risk Assessment	Every 2 Years	N/A	N/A	N/A	N/A
Water Sampling	Annual	N/A	N/A	Complete	N/A
Lightening Protection	Annual	N/A	N/A	Complete	N/A

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Spadesbourne Homes Limited
Finance Report – October 2024 to March 2026

Relevant Portfolio Holder	Councillor Karen May, Leader and Cabinet Member for Strategic Partnerships and Enabling
Portfolio Holder Consulted	Yes
Relevant Head of Service	James Walton
Report Authors	Director of Finance and Section 151 Officer james.walton@bromsgroveandredditch.gov.uk
Wards Affected	All Wards
Ward Councillor(s) consulted	No
Relevant Strategic Purpose(s)	All
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 31 March 2026
2) The balance sheet for Spadesbourne Homes as at 31 March 2026

2. BACKGROUND

2.1 The purpose of this report is to set out Spadesbourne Homes Limited's financial position for the extended accounting period ending 31 March 2026, covering the period from 1 October 2024 to 31 March 2026. This report presents:

- Spadesbourne Homes management accounts as at 31 March 2026. This reflects tenancy income of £436,442 and operating expenditure of £312,447, with a net income of £163,758 after adjusting for depreciation and grant income.
- The balance sheet position as at 31 March 2026 which reflects a net asset of £6,745,458

2.2 Spadesbourne Homes Limited was incorporated on 18th September 2023 with a year end of 30 September. On 14 May 2025, a Change of Accounting Reference Date form was filed with Companies House to amend the year end to 31 March to align it with the Council year end. Dormant accounts were filed for Spadesbourne Homes for the year ending 30 September 2024. As a result of this change, the next set of statutory accounts covers an extended accounting period from 1 October 2024 to 31 March 2026 (18 months).

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. The £50,000 loan will be reflected in the next set of accounts including interest payments. A loan Agreement is to be drawn up to confirm this position before 30 September 2026.

3. DETAILED PERFORMANCE

Financial Performance

3.1 The financial statements presented are in draft form. Also, the income figure is currently being reviewed with the accountants and may be subject to amendment pending their confirmation.

3.2 The company has received tenancy income of £436,442 between October 2024 and March 2026, with management fees of £231,826, insurance of £14,360, service charge of £56,493, repairs of £3,076, consultancy and accounting fees of £4,842 and other expenditure of £1,850.

3.3 As the buildings are occupied under a peppercorn lease arrangement, the benefit arising from the below-market lease terms has been recognised in accordance with IFRS 16 and applicable accounting guidance. Accordingly, the Company has recognised a right-of-use asset in respect of the long-term lease arrangement, together with corresponding deferred income representing the benefit obtained from the peppercorn lease terms.

A corresponding deferred income balance of £133,300 has been recognised in relation to the benefit arising from the below-market lease terms. This deferred income is released to the Income and Expenditure Statement over a 50-year period, consistent with the depreciation period applied to the building element, in accordance with applicable accounting standards.

During the year, depreciation of £93,310 was recognised in the Income and Expenditure Statement in respect of the building element, based on its estimated useful economic life of 50 years.

3.4 The overall position for the period October 2024 to March 2026 was net income of £163,758 and is shown in Appendix A to this report.

Balance Sheet

3.5 The balance sheet position is shown as Appendix B to this report.

3.6 The closing balance on the bank account as at 31 March 2026 is £205,841.

3.7 The Company has recognised a right-of-use asset in respect of a long-term peppercorn lease of land and buildings, initially measured at an estimated fair value of £6.665 million. Following depreciation, the carrying value of the land and buildings at the reporting date was £6,571,690.

A corresponding deferred income balance of £6,531,700 has been recognised in respect of the benefit derived from the below-market lease terms. This deferred income is released to the Income and Expenditure Statement over the same period as the depreciation charge relating to the building element, in accordance with applicable accounting standards.

3.8 The debtor balance of £171,099 includes £31,344 income due from tenants and £139,755 due from the property management company.

3.9 The creditors balance includes £209,442 relating to staffing recharge costs for Council employees working on Spadesbourne's activities. This represents staff time costs that have been recharged to the Company as an expense but not physically paid out in cash during the year and is therefore recorded as a liability at the year end.

4. Legal Implications

4.1 No Legal implications have been identified.

5. Strategic Purpose Implications

Relevant Strategic Purpose

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

Customer / Equalities and Diversity Implications

6.1 None as a direct result of this report.

Operational Implications

6.2 None as a direct result of this report.

7. RISK MANAGEMENT

7.1 None as a direct result of this report.

8. APPENDENCES

8.1 Appendix A – Management Accounts October 2024 – March 2026
Appendix B – Balance Sheet as at 31 March 2026

AUTHOR OF REPORT

Name: James Walton – Director of Finance and Section 151 Officer
E Mail: james.walton@bromsgroveandredditch.gov.uk

APPENDIX A **30 JULY 2026**

MANAGEMENT ACCOUNTS OCT 24 – MARCH 26

	Period 1.10.24 to 31.3.26 £	% of sales
Turnover		
Tenancy Income	**436,442**	**100.00**
Other income		
Deferred Income	**133,300**	**30.54**
Expenditure		
Insurance	**14,360**	**3.29**
Repairs and renewals	**3,076**	**0.70**
Consultancy Fee	**2,352**	**0.54**
Service Charges	**56,493**	**12.94**
Management Fees	**231,826**	**53.12**
Sundry expenses	**301**	**0.07**
Compensation Payments	**1,549**	**0.35**
Accountancy	**2,490**	**0.57**
	312,447	**71.59**
Finance costs		
Bank charges	**227**	**0.05**
Depreciation		
Long leasehold	**93,310**	**21.38**
Total overheads less other income	**272,684**	**62.48**
NET PROFIT	**163,758**	**37.52**

BALANCE SHEET AS AT 31 MARCH 2026

APPENDIX B **30 JULY 2026**

	2026		2024	
	£	£	£	£
FIXED ASSETS				
Long leasehold		**6,571,690**		-
CURRENT ASSETS				
VAT	**4,174**		-	
Trade debtors	**171,099**		-	
Prepayments and accrued income	**4,786**		-	
Bank account no. 1	**205,841**		50,000	
	385,900		50,000	
CURRENT LIABILITIES				
Other creditors	**209,442**		-	
Accruals and deferred income	**2,690**		-	
	212,132		-	
		173,768		50,000
NET ASSETS		**6,745,458**		50,000
FINANCED BY				
LONG TERM LIABILITIES				
Deferred government grants	**6,531,700**		-	
Bromsgrove District Council	**49,900**		49,900	
		6,581,600		49,900
CAPITAL AND RESERVES				
Called up share capital		**100**		100
Profit and loss account		**163,758**		-
		6,745,458		50,000

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE SHAREHOLDERS COMMITTEE

13TH APRIL 2026, AT 6.00 P.M.

PARKSIDE SUITE - PARKSIDE

PRESENT: Councillors K.J. May (Chairman), S. J. Baxter (Vice-Chairman), S. A. Webb and P. J. Whittaker

Observers: Councillor C. A. Hotham, Councillor P. M. McDonald, Councillor S.T. Nock, Matthew Bough, Doug Henderson and Judith Willis

Officers: Mr. G. Revans, Mrs. C. Felton, D Goodall and Mrs. J. Bayley-Hill

7/25 **APOLOGIES FOR ABSENCE**

There were no apologies for absence.

8/25 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

9/25 **MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting of the Shareholders Committee held on 31st July 2025 were submitted.

RESOLVED that the minutes of the meeting of the Shareholders Committee held on 31st July 2025 be approved as a true and correct record.

10/25 **PERFORMANCE MONITORING REPORT - QUARTERS 2 AND 3 2025/26**

The Director of Spadesbourne Homes Limited presented the performance monitoring report for the company for quarters 2 and 3 of the 2025/26 financial year for Members' consideration.

In presenting the report, Members were asked to note the following:

- Data revealed that 100 per cent of repairs had been completed according to deadline.

- There had been 6 complaints received during the period which had all been addressed within agreed timescales.
- There had been a total of 16 void properties.
- There was 1 tenant who was in arrears, 3 former tenants in arrears and another on a payment plan.

Following the presentation of the report, Members discussed a number of points in detail:

- The extent to which Spadesbourne Homes Limited would be impacted by new duties under the Renters' Rights Act 2025. Confirmation was provided that the duties would apply to Spadesbourne Homes Limited as the company was renting out properties to tenants on the open market.
- The reasons why rent arrears had accrued, including for former tenants, and the extent to which the company's Directors were confident about the checks that were conducted prior to a tenancy agreement being signed. The Committee was informed that reference checks were obtained, however, people's personal circumstances could change.
- The number of void properties managed by Spadesbourne Homes Limited and whether this corresponded with the numbers built into the business plan for the company. It was proposed that this should be addressed in the following performance monitoring report presented to the Committee.
- The potential for a breakdown of void property numbers to be provided over time. It was proposed that this should be addressed in the following performance monitoring report presented to the Committee.
- The potential for the breakdown of void properties to clarify the types of property that were voids (e.g. houses or flats.)
- The cumulative total for voids that had been recorded in the report. Clarification was provided that the figures in the report referred to average void times.
- The extent to which the term "cumulative" had been appropriate for use in the report. The Directors confirmed that the term "average" would be more appropriate.
- The void levels at the company and how these compared to the market average.
- The trends over time, in terms of void properties. Members expressed concerns that average void times appeared to be increasing and that this could negatively impact on access to housing in the private rented sector for those in need of suitable accommodation.
- The timescales by which the data for quarter 4 of the 2025/26 financial year would be available for Members' consideration.
- The extent to which the void properties could be offered to people on the housing waiting list in Bromsgrove. The Committee was informed that the void properties managed by Spadesbourne

Homes Limited were unlikely to be affordable for people on the housing register.

The resolution was proposed by Councillor S. Baxter and seconded by Councillor P. Whittaker.

RESOLVED that the Performance Monitoring Report for Quarters 2 and 3 of the 2025/26 financial year be approved.

11/25 **TENANTS' SURVEY QUESTIONNAIRE**

The Director of Spadesbourne Homes Limited presented the tenants' survey questionnaires for Members' consideration.

Members were reminded that at a previous meeting of the Committee the Directors had been asked to produce a survey for the consideration of tenants. The decision had subsequently been taken to produce 2 surveys: a survey for tenants living in Burcot Close and another for tenants living in Allen Court.

Consideration was given to the content of the survey. Members raised concerns that American spelling, rather than UK spelling, appeared to have been used when developing the surveys. In addition, the American dating system, whereby the day was listed after the month, rather than the UK convention of listing the day before the month, had been applied in the document. Members requested that these errors be amended prior to circulation of the surveys.

The resolutions were proposed by Councillor S. Baxter and seconded by Councillor S. Webb.

RESOLVED that, subject to the amendments detailed in the preamble above

1) The Tenant Survey Questionnaire for Burcot Close and Allen Court be approved; and

2) Officers provide the results of the annual tenants' survey to the next Shareholders Committee meeting.

12/25 **CHANGES TO SPADESBOURNE HOMES BOARD**

The Committee was advised that Ms D. Goodall had resigned from Spadesbourne Homes Limited Board as a Director. There was therefore a vacancy that had arisen on the Board and a new Director needed to be appointed.

The Spadesbourne Homes Limited Board were nominating Mr D Henderson, Environmental Services Manager at Bromsgrove District and Redditch Borough Councils, to be appointed to fill this vacancy. Appointment of Directors to the Board at Spadesbourne Homes Limited was a reserved matter for the Shareholders Committee to determine under the Articles of the company and therefore Members were invited to consider approving this appointment.

RESOLVED that

1) Ms D. Goodall's resignation as a Director on the Board of Spadesbourne Homes Limited be noted; and

2) Mr D. Henderson's appointment as a Director on the Board of Spadesbourne Homes Limited be approved.

(Prior to consideration of this item, Mr D. Henderson left the room. He was not therefore present during the debate in respect of this item nor the vote thereon. He returned to the meeting once this item had been resolved.)

13/25 **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.

14/25 **TO CONSIDER, AND IF CONSIDERED APPROPRIATE, TO PASS THE FOLLOWING RESOLUTION TO EXCLUDE THE PUBLIC FROM THE MEETING DURING THE CONSIDERATION OF ITEM(S) OF BUSINESS CONTAINING EXEMPT INFORMATION:-**

RESOLVED that

Under S100 A (4) of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, the public be excluded from the meeting for the following matters on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the said act, as amended. Minute Item No. 15/25 – Spadesbourne Homes Limited – Finance and Governance Report.

15/25 **SPADESBOURNE HOMES LIMITED - FINANCE AND GOVERNANCE REPORT**

The outgoing Interim Section 151 Officer presented a report on the subject of Spadesbourne Homes Limited – Finance and Governance

The following points were highlighted for Members' consideration:

- A financial monitoring report had been published in March for a meeting of the Committee that had subsequently been cancelled. The report provided to Members provided an updated position in respect of the financial figures, which were accurate as of the date of the meeting.
- An independent expert had undertaken a review of the company and interviews had been held with Board members as well as the client-side officer.
- Information had been submitted to Companies House for the company in accordance with legislative requirements.
- Generally, financial information for companies was considered in exempt session at shareholder meetings and the suggestion was made that the same approach should be adopted for financial reporting to the Shareholders Committee.

Once the report had been presented, Members discussed the following points in detail:

- The length of time that would be required for the independent expert to complete his review.
- The purpose of Spadesbourne Homes Limited, which had been to provide additional housing of good quality in the private rented sector within Bromsgrove. The suggestion was made that Spadesbourne Homes Limited was fulfilling this brief.
- The company's achievement, in terms of providing additional accommodation in the private rented sector to Bromsgrove residents.
- The differences between accounts for public sector organisations compared to those for organisations operating in the private sector.
- The need for future financial monitoring reports to the Committee to include exempt information that the Committee would need to discuss in private session.
- The need for a further report to the Committee to address many of the points that had been raised during the debate.
- The Council's new Section 151 Officer, who was commencing employment that day with the authority and would need to be engaged in discussions about the company.
- The role of the Board, which was distinct from that of the Shareholders Committee and the fact that the Board members would be exposed to more detailed information than the Committee at their meetings.

The resolutions were proposed by Councillor P. Whittaker and seconded by Councillor S. Baxter.

RESOLVED that

1) The updated position on the Spadesbourne Homes accounts as of 31st December 2025 be noted.

2) Following consideration of the suggested next steps, as set out in the Interim Section 151 Officer's review, Directors, supported by the client-side officer and the section 151 officer, should provide to the next Shareholders Committee meeting a timetabled action plan for delivery.

(During consideration of this item, Members discussed matters that necessitated the disclosure of exempt information. It was therefore agreed to move to exclude the press and public prior to any debate on the grounds that information would be revealed which related to the financial and business affairs of any particular person (including the authority holding that information)).

The meeting closed at 7.08 p.m.

Chairman

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BROMSGROVE DISTRICT COUNCIL

Shareholders Committee 30th July 2026

Spadesbourne Homes Limited Finance and Governance Update

Relevant Portfolio Holder		Councillor May, Leader and Cabinet Member for Strategic Partnerships and Enabling
Portfolio Holder Consulted		Yes
Relevant Assistant Director		Judith Willis
Report Author	Job Title: Director of Spadesbourne Homes Limited Contact email: judith.willis@spadesbournehomes.co.uk Contact Tel: 01527 64252	
Wards Affected		All
Ward Councillor(s) consulted		N/A
Relevant Council Priority		Good Quality Housing
Non-Key Decision		
If you have any questions about this report, please contact the report author in advance of the meeting.		
This report contains exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended		

1. RECOMMENDATIONS

The Shareholder Committee is asked to RESOLVE that

a) the progress made against governance, financial and operational actions for Spadesbourne Homes Limited and the proposed next actions be noted;

b) Judith Willis, Spadesbourne Homes Limited Director, be appointed as Chair of Spadesbourne Homes Limited.

The Shareholder Committee is asked to RECOMMEND that

a) Simon Parry, Assistant Director of Environmental & Housing Property Services be appointed as Shareholder Committee Representative.

2. BACKGROUND

2.1 At the Shareholders Committee meeting held on 13th April 2026, the Interim Section 151 Officer presented a finance and governance position statement for Spadesbourne Homes Ltd (SHL). This had followed a review by the Interim Section 151 Officer supported by an independent advisor.

2.2 The review set out 11 next steps and the Shareholders Committee resolved that "next steps as set out in the Interim Section 151 Officer's review are considered and Directors, supported by the client-side officer and the section 151 officer, are invited to provide to the next Shareholders Committee meeting a timetabled action plan for delivery." This report sets out the action plan.

3. OPERATIONAL ISSUES

3.1 Following the resolution outlined above by the Shareholders Committee, an action plan has been developed. The action plan sets out what is required, the timescales and Lead Officers, and is attached as Appendix 1.

3.2 The action plan sets out eleven recorded actions, six have been completed and timescales for the remaining actions have been set.

3.3 In addition to the Action Plan the Assistant Director of Legal, Democratic and Procurement Services sought an external reassurance report from external solicitors. The report that was produced is attached in Appendix 2 to this report (which contains exempt information).

3.4 The external solicitors reported that: the Council is carrying out its shareholder function effectively; it appeared adequate information is provided by SHL to the Council for its oversight function to be performed; and the minutes of the Committee reflect financial and performance reports on the activities of SHL being provided on a regular basis. The report made 4 recommendations as set out below:

Recommendation	Action taken
To confirm the appointment of the third director	Doug Henderson has been appointed.
Ensuring a discrepancy in the documents filed at Companies House regarding SHL's accounts relating to shares is resolved in the next submission.	This will be rectified when the next set of accounts are filed by 30 September 2026 and relates to the loan agreement and the share capital.

The Council's Shareholder Committee appointing the chair of the SHL board as per the articles and shareholder's agreement.	Recommendation contained within this report to appoint Judith Willis, Director Spadesbourne Homes Ltd, as the Chair.
Considering whether a Shareholder's Representative would be necessary to act as a liaison between SHL and the Council as shareholder. This is set out in Clause 30.8 of the agreement and states "The Cabinet may designate a Officer that is a member of the Council's leadership team as the Shareholder Committee Representative to be a single point of contact for the Company and the Shareholder Committee and to liaise between them on a day-to-day basis and for such other purposes and with such delegated authority as the Cabinet may determine."	Recommendation contained within the report to appoint Simon Parry, Assistant Director Environmental & Housing Property Services, to this position.

4. FINANCIAL IMPLICATIONS

4.1 Further information about the financial implications are provided in Appendix 1 to the report.

5. LEGAL IMPLICATIONS

5.1 Governance arrangements continue to be strengthened through maintenance of statutory records, Companies House compliance, Director appointments and review of governance documentation. Service level agreements for support services are being developed and appropriate legal advice will be obtained.

5.2 The Shareholders Committee forms an integral part of the governance of Spadesbourne Homes Limited. It is therefore important for the Committee to receive updates on progress in terms of addressing financial and governance matters.

6. OTHER - DETAILS

Local Government Reorganisation Implications

6.1 There are no specific implications for Local Government Reorganisation.

Relevant Council Priority

6.2 Spadesbourne Homes Ltd contributes both to the Council's financial sustainability and to the authority's commitment to good quality housing within the District.

Climate Change Implications

6.3 No specific climate change implications have been identified as a direct result of this report.

Equalities and Diversity Implications

6.4 Spadesbourne Homes Limited's policies and practices operate in accordance with the Council's corporate commitment to and legal obligations relating to customer service, equality and diversity.

Community Impact Implications

6.5 There are no specific implications for community safety or health and wellbeing.

7. RISK MANAGEMENT

7.1 All trading entities involve a degree of commercial risk. The Finance and Governance Action Plan in Appendix 1 is designed to mitigate these risks.

8. APPENDICES and BACKGROUND PAPERS

Appendix 1 – Spadesbourne Homes Ltd Finance and Governance Action Plan.

Appendix 2 – Review of Spadesbourne Homes Limited by an External Solicitors (Exempt)

Background Paper: Spadesbourne Homes Ltd Finance and Governance Report to the Shareholders Committee on 13th April 2026. (included exempt information).

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holder	Cllr Karen May	
Lead Director / Assistant Director	Guy Revans, Director	13/7/26
Financial Services	James Walton, Director & S151 Officer	17/7/26
Legal Services	Claire Green, Principal Solicitor – Contracts, Commercial and Procurement Nicola Cummings, Principal Solicitor – Governance Jess Bayley-Hill, Principal Democratic Services Officer	NC and JBH – 09/07/26

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Spadesbourne Homes Limited Finance and Governance Action Plan as at End July 2026

Action Point	Action Required	Lead Officer	Timescale	Rating	Updates	Position	Comments
1	Confirm the existence of a Shareholder Agreement and review/update as appropriate.	Principal Solicitor	End June 2026	Green	The Shareholder Agreement was produced and signed in November 2023. Schedule 2 of the Agreement contains the Shareholder Reserved Matters. Cabinet on 10th December 2024 noted the Table of Reserved Matters for the Shareholders Committee and approved the terms of reference for the Shareholders Committee. The Agreement has been reviewed and is confirmed as up to date.	Complete	Review periodically to ensure continued relevance.
2	Confirm allocation of Company Secretary duties to a named individual and ensure Companies House notifications are directed appropriately.	Principal Solicitor	End June 2026	Green	Spadesbourne Homes Director Doug Henderson will be appointed as Company Secretary. Company House notification of returns to be automatically sent to and returned by the Company Secretary.	In Progress	Company House notifications to be monitored by Spadesbourne Homes Board.
3	Establish accountancy support arrangements, including SLA, recharge mechanism and attendance at Board meetings. Consider external audit/accountancy support alignment.	AD Finance & Customer Services	End June 2026 Sept 2026	Green	External Accountants, Brindley's Accountants, procured. Brindley's Accountants will produce future quarterly finance reports for consideration by the Board and the Shareholders Committee. There is no requirement for the accounts to be externally audited as it qualifies as a small company. It also has oversight by the Council deeming the risk low. External audit is therefore not recommended by the S151 Officer.	Complete Complete	
4	Review status of dormant accounts filed in February 2025 and clarify VAT position.	AD Finance & Customer Services	End June 2026	Green	The status of dormant accounts filed in February 2025 has been reviewed. A Change of Accounting Reference Date form was filed with Companies House to amend the year end to 31 March to align it with the Council year end. Dormant accounts were filed for Spadesbourne Homes for the year ending 30 September 2024. As a result of this change, the next set of statutory accounts covers an extended	Complete	

					accounting period from 1 October 2024 to 31 March 2026 (18 months). These will be filed before 30 September 2026. VAT position clarified with appointed accountants and the company is being de-registered for VAT.		
5	Develop and implement a rental increase policy and report proposals to the Shareholders Committee.	Directors (MB)	End July 2026	Amber	The new Renters Rights Act 2025 has brought about the following changes and legal responsibilities to private landlords: • Rent increases are limited to once per year • Increases must reflect open market rent, not a fixed index such as RPI • Two months' notice is now required (previously one month) • Robust, comparable market evidence must be obtained and retained • Tenants may challenge increases via the First-tier Tribunal (FTT) • If an increase is disputed, it does not take effect until the tribunal has ruled, even if upheld As a commercial venture, rents will be increased to reflect open market rent. Spadesbourne Homes Ltd has produced a Policy that reflects the above and following consultation with the Council, the Policy will be updated by the Board.	In progress	
6	Develop a formal recharge policy and agreement setting out the basis of charges made to the company.	Directors (JW)	October 2026	Amber	The schedule of support services in the shareholders agreement has been reviewed. SLAs are to be developed.	In Progress	Support is being sought from Officers that developed similar SLAs for Rubicon in Redditch.
7	Produce a planned repairs, maintenance and compliance programme with associated costs.	Directors (MB)	August 2026	Green	It has been agreed that the Managing Agent will develop a long-term asset management plan.	Complete	.

8	Develop a clear repairs responsibility policy for tenants, the Council and any managing agent.	Directors (MB)	End June 2026	Green	This has been reviewed and a policy is not required because the existing Tenancy Agreements and the Agreement between the Council and Principle (Managing Agent) already clearly set out everyone's responsibility.	Complete	
9	Consider recommendations contained within the governance review and implement agreed actions.	Directors (JW)	January 2026	Amber	Finance and Governance Action Plan produced with lead officers and timescales clearly set out. All actions to be completed by January 2027.	Ongoing	Progress to be monitored via updates to the Shareholder Committee.
10	Identify and deliver training requirements for Company Directors.	Principal Solicitor	Sept 2026	Amber	Governance training quotations sought from external providers. External solicitors appointed to undertake the training which is being delivered in August 2026.	In Progress	Training to be provided as any new Directors appointed.
11	Determine appropriate future accounting policies and review treatment of the £50,000 loan, including subsidy compliance requirements.	AD Finance & Customer Services	Sept 2026	Amber	Advice and guidance sought from the Council's Treasury Management Advisors. The £50,000 loan will be reflected in the next set of accounts including interest payments. A loan Agreement is to be drawn up to confirm this position before 30 September 2026.	In Progress	

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