



## Report to Cabinet

<b>Date:</b>	<b>1<sup>st</sup> March 2022</b>
<b>Title:</b>	<b>Consilio Property Ltd Business Plan 2021 - 2023</b>
<b>Cabinet Member(s):</b>	Cllr John Chilver - Cabinet Member for Finance, Resources, Property & Assets
<b>Contact officer:</b>	<b>John Reed</b> – Director of Property and Assets
<b>Ward(s) affected:</b>	None

*There is a confidential part to this report, which is exempt by virtue of paragraph 3 of Schedule 12A of Part 1 of Schedule 12a of the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)*

### **Confidential Appendices: -**

1. *Consilio Property Ltd Business Plan*
2. *Consilio Finance report Narrative*
3. *Consilio Balance Sheet*
4. *Consilio P&L Year To Date – Nov 2021*

### **Recommendations:**

- **Cabinet recognise that the attached Business plan represents a true and accurate reflection of Consilio Property Ltd past and current position.**
- ***Cabinet recognises that, even with no additional investment, with the current management team and property portfolio, Consilio Property Ltd is expected to continue to generate net returns.***

**Reason for decision:** Consilio Property Ltd is well structured with both good governance and internal and external professionals in place to support its ongoing management. The appended business plan shows that the Company is making a consistent profit and is ready to expand with future projects

## **1. Executive summary**

- 1.1 Consilio Property Limited is a company limited by shares founded in September 2017 by South Bucks District Council.
- 1.2 In April 2020 100% ownership of Consilio transferred from South Bucks District Council to Buckinghamshire Council since when the aims and objectives of Consilio were reviewed and revised to align with its shareholder objectives of enabling the new development of residential property on surplus land on the council's existing estate to:
  - Increase the amount of good quality affordable and key worker housing stock for Buckinghamshire's residents.
  - Increase the supply of private housing to meet the Councils housing needs under the adopted Local Plan.
  - Promote and showcase by delivery Buckinghamshire Councils affordable Housing aspirations.
  - Provide a financial return to the Council for the benefit of its residents, where viability allows.
- 1.3 In helping to increase the County's housing supply, Consilio will have a positive impact on the county's economic development and help influence economic performance.
- 1.4 The company currently holds a portfolio of property assets comprising of two commercial buildings and a development of 34 flats, including 14 of which are allocated to affordable housing.
- 1.5 Future Freehold development proposals are currently under consideration by Consilio as evidenced in the appended Consilio Business Plan.
- 1.6 To be compliant with regulations surrounding the supply and management of Social Housing, Consilio is building the appropriate structure to secure Registered Housing Provider (RP) status as soon as possible.
- 1.7 Funding in the new Consilio landscape will require ongoing discussion and agreement with shareholders. There may additionally be grant funding available from Homes England, especially once RP designation is achieved, that could be secured on a project specific basis to support future residential investments.

- 1.8 In 2021, Consilio Property Ltd appointed a new Directorship team to enhance good governance and transparency and to take the company forward. Consilio's Directors, while not inheriting accountability for antecedent decisions, are tasked with the responsibility of driving forward Consilio's progressive and exciting next phase of its future development.
- 1.9 Consilio Property Ltd is invested in providing good quality, affordable, sustainable housing that residents are proud to call home and endeavours to ensure that all residents are treated with fairness, consideration, and respect. Current schemes under consideration will provide an opportunity for Consilio to demonstrate to the shareholders and the public that good quality, affordable and sustainable development and exemplary property management practises can be and should be delivered
- 1.10 In summary, Consilio Property Ltd is well structured with both good governance and internal and external professionals in place to support ongoing management. With the current property portfolio and opportunities for the future combined with continuing financial support, both in additional funding and in reinvestment within the company, Consilio's future forecast is looking prosperous. Since its inception in 2017, Consilio has worked with changing management and objectives but going forward, is now well placed to deliver the aims and objectives shared with Buckinghamshire Council.

## **2. Content of report**

- 2.1 This document, including Confidential Appendices listed above

## **3. Other options considered**

- 3.1 Do Nothing – As the sole Shareholders of Consilio Property Ltd it is in the Council's interest to ensure that the Directors and management team are running the business in a way that is aligned with the Shareholders objectives and to review and respond to the business plan submitted for approval.
- 3.2 Not to agree the attached Business Plan which, depending on the reasons given will require the Business plan to be re-written and be re-submitted which may impact on pending decisions to purchase Council owned sites.
- 3.3 Close the Company and sell assets: Doing this at this stage will result in a negative balance to the Council and impact on the Councils ability to provide social housing and to successfully perform in the private development sector.

## **4. Legal and financial implications**

- 4.1 Consilio is a private Company limited by shares solely owned by Buckinghamshire Council.

- 4.2 Shareholders Governance is being further enhanced by the formation of a Cabinet Committee to Cabinet to act as Shareholder's representative. A report requesting the formation of this subcommittee will come before Cabinet as a separate paper on the 29<sup>th</sup> March.
- 4.3 Consilio is funded through Council borrowing and then lending to Consilio at a more commercial rate.
- 4.4 Continued funding will be required as the Company expands and business cases for this will be determined by Cabinet on a case-by-case basis as a bid against the £100m prudential borrowing facility.

## **5. Corporate implications**

- a) Property: Property and Consilio have prospective projects to be progressed concurrently and in partnership. Consilio is an existing entity and Property will be impacted with additional workload if Consilio is disbanded prior to winding up all Company assets.
- b) HR: No implications at this stage but as the company expands Consilio will call on HR's services via a Service Level Agreement.
- c) Sustainability and Climate change: Consilio is committed to good practise in sustainability and climate change.
- d) Data: The Councils ICT and Data Protection team have been consulted in setting up Consilio's electronic filing structure.
- e) Value for money: Consilio has been shown to be a profit-making company and provides the opportunity for the Council to expand affordable housing provision in the county.

## **6. Local councillors & community boards consultation & views**

- 6.1 The views of the Cabinet member for resources Finance and Property & Assets have been sought and the report trajectory agreed

## **7. Communication, engagement & further consultation**

- 7.1 Communication: Regular conversations take place between the Consilio Board Directors and the Director for Property and Assets and more formal communications take place through the sharing of monthly Board meeting minutes and financial reports to both the Cabinet Member for Finance, Resources, Property & Assets and the Director for Property and Assets. Financial assurance is helped through the inclusion of the Head of Finance for Planning Growth and Sustainability in all Consilio board meetings.

- 7.2 Subject to Cabinet approval a Cabinet Sub Committee will shortly be formed to act as a Shareholder representative to all Council owned Companies including Consilio and it is anticipated that Consilio will provide copies of monthly Board meeting minutes and financial reports to this committee and hold 3 four-monthly shareholder meetings per annum.

## **8. Next steps and review**

- 8.1 Consilio will move toward assessing and implementing future projects in line with the attached business plan.
- 8.2 Consilio will be reviewed by the Shareholders sub-committee monthly by way of board meeting minutes and three x four-monthly shareholder meetings per annum.

## **9. Background papers**

- 9.1 None

## **10. Your questions and views (for key decisions)**

- 10.1 If you have any questions about the matters contained in this report, please get in touch with the author of this report. If you have any views that you would like the cabinet member to consider, please inform the democratic services team. This can be done by **telephone 01296764814** or:

**email [democracy@buckinghamshire.gov.uk](mailto:democracy@buckinghamshire.gov.uk)**

