Oportunitas

Oportunitas Board Meeting 7 May 2025

Subject: Oportunitas Limited 5-Year Business Plan 2025/26 to 2029/30

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Summary: This paper presents a business plan for Oportunitas Limited (the company) for the 5-year period from 2025/26 to 2029/30 financial years and is based on the following key assumptions:

1. Debt restructured in line with the financial review agreed with the Shareholder in July 2024.
2. Retaining the existing property portfolio of 75 residential units and 1 commercial unit.
3. No further capital investment.
4. Rental income from the residential units increasing by 5% per annum.
5. Operating costs being increased by inflation ranging between 3% to 5%.
6. A major repairs provision being established from 2025/26, based on 5% of the gross rental income.

The business plan provides for the company to begin to operate at a profit over the period, reducing its previous cumulative operating losses, and for the Council, as the shareholder, to receive a return on its investment that covers its costs, an improvement on the current position.

Business Plan Base Case Summary of outcomes	2025/26 Budget £	2026/27 Forecast £	2027/28 Forecast £	2028/29 Forecast £	2029/30 Forecast £
Oportunitas Ltd - operating net profit / (loss)	7,268	64,138	83,223	103,333	124,521
Oportunitas Ltd - Cumulative Profit & Loss Account balance	1,367,036	1,431,174	1,514,398	1,617,730	1,742,251
Oportunitas Ltd - Cash Balance 31 March (excluding dividend payment)	83,153	92,372	114,098	144,230	173,714
Cash dividend payment	35,000	40,000	50,000	70,000	100,000
FHDC Net Return - (loss) / surplus	(66,573)	(48,468)	(25,300)	7,932	51,233

The preparation of an annual business plan, for each financial year, is a requirement of the Shareholder's Agreement with the Council. The business plan is required to be submitted to the Shareholder for approval.

Recommendations:
The Board agree the Business Plan outlined in section 4.5 for the 5-year period from the 2025/26 to 2029/30 financial years be submitted to the Shareholder for approval.

1. INTRODUCTION

1.1 The Shareholder Agreement requires the company to prepare and submit an annual business plan to the Council for approval in advance of the start of the financial year it covers. The Leader of the Council, in consultation with the Chair of the Board, approved a delay to the new business plan being submitted for approval owing to other work priorities in early 2025.

1.2 The business plan incorporates the impact of the financial review undertaken ahead of agreeing the existing business plan from 2024/25 considered by the Board on 29 May 2024 and approved by the Shareholder at the Cabinet meeting on 17 July 2024 (minute 10 refers). The primary aim of the review was to improve the return to the Shareholder over its capital financing costs while allowing the company to trade profitably, remain solvent and a going concern in the long term. To achieve this, the following key changes were agreed:

i) Restructure the loan to the company to ensure the interest rate charged by the Council remains at a market rate and is at least 2% above its own cost of borrowing throughout its life (similar to the Council's loan to Otterpool Park LLP).
ii) No further capital investment from the Council to the company at this stage.
iii) Retain the existing property portfolio of 75 residential units and one commercial unit over the period of the business plan.
iv) The company establish a provision for major repairs based on 5% of the gross property rental income from 2025-26.
v) The company to pay an annual cash dividend to the Council as shareholder when able to.
vi) The business plan to be reviewed annually for a rolling 5-year period ahead of the start of the next financial year, unless otherwise agreed with the Council.

1.3 Any decisions to pursue further investment, asset disposals or further restructuring of the company's financial structure will require the business plan to be updated before seeking Shareholder approval.

1.4 Cabinet is required to approve the business plan, planned for its meeting on 21 May 2025.

2. BACKGROUND AND COMPANY OBJECTIVES

2.1 The Council established the company in 2014 with the broad aims of allowing it to:

i) lead on regeneration, economic and development activity,

ii) to acquire housing and property to make available housing for rent and sale on a range of tenures including (but not limited to) shared ownership, shared equity, market sale and rent, affordable rent,

iii) to carry out such trading activities as are identified in the Business Plan, initially relating to grounds and parks maintenance, and

iv) to carry out such trading activities as the Council and the company may agree from time to time.

The full list of the company objectives are in Schedule 4 of the Shareholder Agreement (see appendix A).

2.2 Since its inception in 2014, the company has grown organically through the Council's capital investment of approximately £11.7m with the intention of becoming financially sustainable, providing an on-going return to the Council as the shareholder.

2.3 During the past 11 years the company has focused on acquiring residential property, predominantly in the district, to let at market rents. It has also provided a limited grounds maintenance service, mainly tree works, to local clients.

3. CURRENT POSITION

3.1 Capital Investment

3.1.1 Since 2014, the Council has invested two tranches of capital funding totaling about £11.7m in the company, split between debt and equity, to acquire predominantly residential accommodation for rent, summarised in table 1 below:

Table 1 – FHDC capital investment summary

	Debt £m	Equity £m	Total £m
Phase 1	4.31	0.48	4.79
Phase 2	2.47	4.43	6.90
Total	6.78	4.91	11.69
Ratio	58%	42%	

3.1.2 The capital funding structure was set to allow the company to become financially sustainable in the long term while providing a suitable return to the Council as the shareholder. As part of this, the debt funding was agreed at the time at a market interest rate of 4.88%. Additionally, as part of the funding agreement, a short-term loan facility of up to £0.3m was made available to the company to help manage its cash flows if required.

3.1.3 The phase 1 funding was fully utilised towards the cost of acquiring the company's original property portfolio of 38 residential units and 1 commercial unit up to 2018. The phase 2 funding has been used to acquire a further 37 units of residential property at the site of the former Royal Victoria Hospital (RVH) in Folkestone which concluded in the autumn of 2023. In total, £11.45m of the capital funding has been required for the property acquisitions made, a saving of £0.24m to the Council's General Fund capital programme. There is no further planned capital investment from the Council to the company in its approved medium-term capital programme.

3.1.4 The company continues to operate as an exemplar landlord providing high quality rental accommodation primarily in Folkestone. There is high demand in the area which is backed up by high occupancy rates and low void rates.

3.2. Current Property Portfolio

3.2.1 Table 2 below summarises the company's current property portfolio as at 31 March 2025, based on provisional external valuation information received:

Table 2 – Company Property Portfolio and Valuation

Units	Folkestone	Dover	Total Units	Value £'m	Yield %
Residential	67	8	75	13.581	5.79
Commercial (vacant)	1	-	1	0.035	21.43
Total	**68**	**8**	**76**	**13.616**	**5.83**

3.2.2 In total, over the past year the property portfolio has (provisionally) reduced in value from £13.681m to £13.616m, a reduction of £0.065m or 0.48%. Most of the portfolio has seen its value remain unchanged, including all the properties acquired at 8A and 10 Radnor Park Avenue, Folkestone over the past few years. Most of the net reduction in value relates to the properties at Walter Tull Way, Folkestone. The sole commercial unit at 15 Grace Hill, Folkestone, currently vacant, has also seen a reduction in its value. However, in total, the company has seen the unrealised value of its property stock increase by about £2.16m since acquisition, providing security to the Council's investment in the company. A detailed analysis of the portfolio valuation by property is shown in appendix B to this paper.

3.2.3 The gross turnover from the rental income is approximately £0.79m at 31 March 2025, the company's first full year of receiving rents from the second phase of the RVH site. The average yield from rents at 31 March 2025 of 5.83% is broadly in line with existing expectations.

3.3 Property Stock Condition

3.3.1 Given the company's main activity of residential lettings, property maintenance and safety are the company's top priorities. The proposed business plan provides for the following sums for repairs, maintenance and safety inspections and compliance issues:

		2024/25 projected outturn	2025/26 budget
		£'000	£'000
i)	Routine repairs, safety compliance checks and other property costs	105.2	119.5
ii)	19 Castle Hill Avenue external works and redecoration to the front of the buildings (deferred from 2024/25)	-	32.2
iii)	Major repairs provision (from 2025/26)	-	39.8
	Total	**105.2**	**191.5**

3.3.2 A stock condition survey originally planned for the current financial year has been delayed until 2025/26 and £20k is included in the new business plan for this. In line with last year's financial review of the company, from 2025/26 an annual major repairs provision to cover large one-off works required for the portfolio is provided at 5% of the gross rent income. For 2025/26 this will be £39,800.

3.3.3 The company will work towards ensuring that all properties within the portfolio achieve a minimum of an EPC grade C by 2030 in line with the Council's own HRA stock. The results of current EPCs will also be captured as part of a future stock condition survey undertaken and will provide the company with a baseline to then determine a future programme of priority of works for the retrofitting and upgrading of properties within the portfolio to ensure they meet the highest standards of energy efficiency.

3.3.4 A breakdown of the Energy Performance Ratings for the company's current residential property portfolio is as follows:

26 units are Grade B

41 units are Grade C

3 units are Grade D

5 units are Grade E

*1 x vacant unit (TBC) – Previously Grade C

1 c commercial unit – Grade E

3.4 Grounds Maintenance Activity

3.4.1 The company used to provide a range of gardening and grounds maintenance services to residents and businesses by utilising capacity within the Council's Grounds Maintenance Unit. However, following a service realignment by the Council and to reflect the long-term viability of providing these services against local competitors, it was previously decided by the company to focus providing a service primarily for tree related work to external customers. This more limited service provides an estimated turnover of about £10k with a net profit of £2k per annum to the company.

4. BUSINESS PLAN 2025/26 TO 2029/30

4.1 Following the detailed work undertaken for last year's financial review of the company, the proposed business plan for the 5-year period from 2025/26 to 2029/30 is largely an update to the existing approved plan.

4.2 The proposed business plan is based on the following assumptions:

i) The property portfolio will remain unchanged over the 5-year period with 75 residential units and one commercial unit to let at market rents.

ii) Rents to be increased by 5% per annum.

iii) Property costs and management fees increased by 5% per annum.

iv) A major repairs provision to be introduced from 2025/26 at 5% of the gross rental income (£39,800 for 2025/26).

v) FHDC staffing recharges and directors' reimbursement increased by 3% per annum.

vi) Other overheads increased by 4% per annum.

vii) Grounds maintenance income and costs increased by 4% per annum.

4.3 **FHDC staffing recharges** – The staffing recharge is proposed to be increased by £10k from 2025/26 to reflect additional resources from the Council's Financial Services team required to support the company's financial transactions and activities.

4.4 FHDC Loan Restructuring

4.4.1 As part of last year's financial review of the arrangements between the Council and company, it was agreed to restructure the previous loans from 1 April 2024 to allow the interest rate to be increased from the prevailing 4.88% to a higher market rate of 6.88%. Proper accounting practice (International Financial Reporting Standard 9) viewed the increase in the interest rate as a material change to the loan. This meant the Council was required to extinguish the existing two existing loans and replace them with a new loan, summarised in table 3 below:

Table 3 – Original debt restructuring

Loan Number	Loan Type	Remaining Term	Maturity Date	Interest Rate	Balance at 31/03/2024 £m	Current Market Rate	Fair Value £m	Discount £m
Loan #1	Annuity	41 years	31/03/2065	4.88%	4.19	6.88%	3.38	0.81
Loan #2	Annuity	41 years	31/03/2065	4.88%	2.23	6.88%	1.74	0.49
					6.42		5.12	1.30

4.4.2 However, the above calculation was undertaken in advance of the 1 April 2024. Market volatility at the time saw the relevant market interest rate increase to 7.26%. Consequently, the calculation has been revised and is shown in table 4, below:

Table 4 – Updated debt restructuring

Loan Number	Loan Type	Remaining Term	Maturity Date	Interest Rate	Balance at 31/03/2024 £m	Current Market Rate	Fair Value £m	Discount £m
Loan #1	Annuity	41 years	31/03/2065	4.88%	4.19	7.26%	3.08	1.11
Loan #2	Annuity	41 years	31/03/2065	4.88%	2.23	7.26%	1.62	0.61
					6.42		4.70	1.72

4.4.3 This shows the fair value of the restructured loan to be £4.70m, a reduction/discount of £1.72m against the actual outstanding principal sum, or an increase in the discount of £0.42m compared to that previously reported.

4.4.4 No cash is required to pass between the company and Council to extinguish the old loans and take up the new loan. However, proper accounting practice requires the company to treat the reduction in the loan value of £1.72m as a discount and credit this to the profit and loss account as a gain (unrealised income).

4.4.5 The Council is required to treat the reduction in the loan value of £1.72m as a write-off. However, as the original loan was treated as capital expenditure, capital accounting regulations provide for the write-off to be made to the Capital Adjustment Account rather than the General Fund, meaning no direct impact to the Council's overall financial position.

4.4.6 The Board is reminded that the Council's loan is secured against the company's property assets. As outlined in section 3.2 above, the company's property portfolio is currently valued at about £13.6m, an increase of about £2.2m over its acquisition cost. This provides the Council with significant assurance both for its security for the loan and its overall investment of £11.5m in the company.

4.4.7 The Board is also reminded that the revised loan agreement provides for the Council to charge market interest on the loan at a rate of 2% above its own borrowing cost from the Public Works Loan Board (PWLB), reviewed every 6 months. This provides a level of assurance to the Council that it will be able to meet its capital financing costs going forward, while it remains affordable for the company.

4.5 **Proposed Business Plan** - The proposed company business plan and cashflow forecast for the 5-year period to 2029/30 are summarised in table 5 below:

Table 5 Company Business Plan 2025/26 to 2029/30

Business Plan 2025-26 to 2029/30	Budget 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30
Oportunitas Profit and Loss Account	£	£	£	£	£
Turnover	783,150	821,983	862,978	906,018	951,207
Cost of Sales	(325,396)	(287,070)	(301,309)	(316,256)	(331,945)
Gross Profit	**457,754**	**534,912**	**561,668**	**589,763**	**619,262**
Administrative Costs	(84,539)	(87,332)	(90,220)	(93,204)	(96,290)
Profit/(Loss) on Revaluation	-	-	-	-	-
Operating Profit (EBIT)	373,215	447,580	471,449	496,558	522,972
Finance Costs	(363,524)	(362,062)	(360,484)	(358,782)	(356,944)
Profit before Tax	**9,691**	**85,518**	**110,964**	**137,777**	**166,028**
Tax	(2,423)	(21,379)	(27,741)	(34,444)	(41,507)
Profit after Tax (net income)	**7,268**	**64,138**	**83,223**	**103,333**	**124,521**
Cumulative Profit & Loss Account Balance (exc reval gain)	**1,367,036**	**1,431,174**	**1,514,398**	**1,617,730**	**1,742,251**
Oportunitas Cash Flow					
Cash b/f (01/04)	94,342	48,153	52,372	64,098	74,230
P & L net position	7,268	64,138	83,223	103,333	124,521
Loan principal repayments	(18,457)	(19,919)	(21,497)	(23,200)	(25,038)
Cash c/f (31/03)	**83,153**	**92,372**	**114,098**	**144,230**	**173,714**
Dividend payment	**(35,000)**	**(40,000)**	**(50,000)**	**(70,000)**	**(100,000)**
Adjusted cash c/f (31/03)	**48,153**	**52,372**	**64,098**	**74,230**	**73,714**

4.6 In line with the financial review and existing approved business plan, the proposed business plan projects the company will be trading profitably and will be able to pay an annual dividend payment to the Council, as shareholder. The updated business plan projects the company will be able to pay a cash dividend to the Council of £35k from 2025/26 rising to £100k in 2029/30, an improvement over the existing approved position.

5. SHAREHOLDER RETURN

5.1 The business plan outlines the Council will receive the following income streams from the company;-

i) interest payments and loan principal repayments,
ii) dividend payments, and
iii) recharges of staff and other council costs.

Against this, the Council has incurred capital financing costs from the £6.9m of prudential borrowing used to invest into the company for the acquisition of both phases of the Royal Victoria Hospital scheme.

5.2 Table 6 below shows both the net and cumulative return to the Council, as shareholder, for the 5-year period of the business plan:

Table 6 Shareholder Return

Return to FHDC as Shareholder	2025/26	2026/27	2027/28	2028/29	2029/30
	Budget	Forecast	Forecast	Forecast	Forecast
	£	£	£	£	£
Interest received	363,524	362,062	360,484	358,782	356,944
Loan repayments	18,457	19,919	21,497	23,200	25,038
Dividend	35,000	40,000	50,000	70,000	100,000
Cost reimbursement					
Staff Cost	46,358	47,749	49,181	50,657	52,176
Members Allowances	12,094	12,457	12,831	13,216	13,612
Grounds Maintenance	8,000	8,320	8,653	8,999	9,359
Gross Income	**483,434**	**490,507**	**502,646**	**524,853**	**557,129**
Capital Financing Cost	**(550,007)**	**(538,976)**	**(527,947)**	**(516,920)**	**(505,896)**
Annual Net return / (Loss)	**(66,573)**	**(48,468)**	**(25,300)**	**7,932**	**51,233**
FHDC cumulative net return	**1,113,848**	**1,065,380**	**1,040,080**	**1,048,012**	**1,099,245**

5.3 This shows the Council is forecast to make a surplus over its capital financing costs from 2028/29, a year earlier than expected under the existing business plan. **This meets the Council's own policy objective in full**.

5.4 Although the Council is forecast to receive a cash dividend a year earlier than previously planned, its own capital financing costs are projected to be slightly higher than previously expected, mainly due to a rise in interest costs on borrowing. Overall, the projected net return to the shareholder over the 5-year period of the proposed plan is broadly unchanged from that in the existing approved plan, summarised in table 7, below:

Table 7 Shareholder return comparison

Shareholder Net Return Comparison (Inc Dividend)	2025/26	2026/27	2027/28	2028/29	2029/30
	Forecast	Forecast	Forecast	Forecast	Forecast
	£	£	£	£	£
Existing Business Plan	(66,685)	(54,419)	(4,599)	7,774	38,953
Proposed Updated Business Plan	(66,573)	(48,468)	(25,300)	7,932	51,233
Change - improvement / (reduction)	**112**	**5,950**	**(20,701)**	**159**	**12,279**
Dividend	35,000	40,000	50,000	70,000	100,000

5.5 Financial Risk Modelling

5.5.1 Two further models have been prepared to consider the impact of both a 10% reduction and 10% increase on the company's net operating income and to assess the impact on the profit and loss account, cash balance, projected dividend payment and the net return to the shareholder, compared to the base case outlined above. The outcomes are summarised in table 8 below:

Table 8 Financial risk modelling

	2025/26	2026/27	2027/28	2028/29	2029/30
	Forecast	Forecast	Forecast	Forecast	Forecast
	£	£	£	£	£
Company operating net profit/(loss)					
Base	7,268	64,138	83,223	103,333	124,521
10% reduction in net income	(27,631)	30,570	47,865	66,091	85,298
10% increase in net income	35,259	97,707	118,582	140,574	163,744
Company cash balance 31 March					
Base	83,153	92,372	114,098	144,230	173,714
10% reduction in net income	48,254	58,904	85,272	103,162	113,423
10% increase in net income	111,144	138,931	161,016	178,390	217,097
Dividend payment					
Base	35,000	40,000	50,000	70,000	100,000
10% reduction in net income	0	0	25,000	50,000	50,000
10% increase in net income	50,000	75,000	100,000	100,000	150,000
Shareholder net return					
Base	(66,573)	(48,468)	(25,300)	7,932	51,233
10% reduction in net income	(101,573)	(88,468)	(50,300)	(12,068)	1,233
10% increase in net income	(51,573)	(13,468)	24,700	37,932	101,233

5.5.2 In summary, a reduction in the company's net operating income will adversely affect its ability to pay a dividend to the shareholder over the 5-year period. However, the company will have sufficient cash to trade sustainably and return to profit over the period. Conversely, an improvement in the net operating income will mean an enhanced dividend payment, increasing the shareholder's net return.

5.6 In addition to the financial return to the Council as shareholder, its investment in the company means it is meeting its own policy objective of providing additional quality housing for rent to local people.

6. CONCLUSIONS

6.1 The proposed business plan for the 5-year period to 2029/30 builds upon the key outcomes from last year's financial review and the existing approved business plan. Primarily, the property portfolio and the debt restructuring mean the company will begin to trade profitably on a sustainable basis going forward.

6.2 The company is projected to be able to pay a cash dividend to the Council, as the shareholder, from 2025/26. This, together with the interest and principal payments from the loan together with other recharges made for staffing and other costs, will enable the Council, from 2028/29, to begin to make a surplus over its capital financing costs from the £6.9m capital investment made to the company met from prudential borrowing, meeting its own policy objective in full.

6.3 No further capital investment is anticipated by the company or Council over the 5-year period of the business plan.

6.4 It is recommended the Board agree the business plan outlined in section 4.5 of the report to be submitted to the Shareholder for approval.

6.5 The rolling 5-year business plan will be reviewed in early 2026 and sooner if there are significant departures from it to consider before then.

7. RISK MATTERS

7.1 *Company Risks Identified*

7.1.1 Table 9 below presents a matrix style assessment providing a judgement on the combination of probability/likelihood of occurrence and severity of impact on the Company. All risks will be kept under review during the year.

Table 9 Company risks - detailed assessment				
Company Risk		**Prob-ability**	**Impact**	**Risk Management Action**
LEGAL				
A	Contractual Disputes	Low	Medium	Governance structures in place to ensure that contracts which require Council approval are considered appropriately. Oportunitas will take appropriate legal advice before entering into contracts.
B	The balance between Council control and the Company's ability	Low	High	Detailed definitions contained within the key corporate governance documents mitigate against this risk. Board is given

	to deliver against its Business Plan results in the Company's inability to operate effectively.			adequate decision-making powers and independence.
LEGAL / FINANCE				
C	Breach of the Subsidy Control Act regarding the subsidy control in the public sector (previously governed by EU state aid rules)	Low	Medium	Independent legal advice sought when the company was established which confirmed Council's funding of the Company was compliant with state aid rules. Further, the proposed change to the interest rate on the Council's loan to the reflect the current market position reinforces the Company remains compliant with the subsidy control commitments and will be reviewed again once the Subsidiary Control Bill is enacted and the guidance notes produced.
FINANCE				
D	The Company fails to adhere to loan repayment obligations	Low	Medium	A repayment schedule is prepared, and financial matters are discussed regularly with the board. Quarterly reports are given to Cabinet. Cash flow forecasts prepared for business plan indicate adequate resources available to meet loan commitments.
E	Failure of housing to be competitive and/or attractive to tenants	Low	Low	The acquisition programme is professionally managed to ensure a competitive product is offered.
F	Rental income returns fall short of projections included in the Business Plan	Low	Medium	Rental values are kept under review and financial implications reported to the Board. Changes will be made to activities if necessary and appropriate returns are not made.
G	Failure to arrange adequate insurance cover for the Company's liabilities and assets	Low	Medium	The Council's Finance Team has appropriate insurance in place. The Shareholders Agreement enables the Company to purchase and maintain adequate insurance against all risks comparable to that insured by

				companies carrying out similar business
H	Failure to arrange adequate insurance cover for the Company's Directors	Low	Medium	The Company has insurance in place for its Directors against any liability which may be incurred in relation to their role as Company Director
I	Challenge from auditors (Council or external)	Low	Low	The Company has appointed its own external auditors and accountant.
J	Failure to comply with taxation laws (Corporation Tax and VAT)	Low	Low	The company will take independent tax advice.
K	Properties decrease in value resulting in an impairment	Low / Medium	High	The Company Board will keep under review and if necessary will look at options such as changing the mix of portfolio, refinancing or sale of properties.
L	Movement in interest rates	Medium	Medium	The Business plan will take into account the likelihood of medium to long term increases in interest rates and the impact this will have on viability of future activities, adjusting activities accordingly.
FINANCE / OPERATIONAL				
M	Assumption of values for acquisition and refurbishment and rental yields proves to be inadequate	Medium	High	Need to regularly review the market conditions to ensure that the activity is managed within the overall budget envelope.
OPERATIONAL				
N	Mechanism for drawing down funding proves to be too slow and costly to facilitate delivery of acquisitions programme	Low	High	Facility is agreed for Council draw down process.
O	Higher level of voids than projected or rent arrears	Medium	High	A void rate of 3% has been included in the Business Plan and will be regularly reviewed. Rent arrears kept under review

				with immediate action taken for non-payment.
P	Price inflation for repairs, maintenance, and operational costs of housing portfolio	Medium	Medium	Partly mitigated from ongoing review of rents. From 2025/26 company expected to return a profit and have increased financial capacity to meet inflationary cost pressures.
Q	Allowances for maintenance and repairs in the Business Plan prove to be inadequate	Low	Medium	This has been allowed for in the Business Plan and will be regularly reviewed. Ongoing major repairs provision of 5% of gross rent to be included in budget from 2025/26.
R	Conflict of interest over workload priorities of Council and Company	Low	Medium	Council will retain control over the staffing of the Company. Council resources will be invoiced to the Company.
S	Lack of capacity to manage the Company's workload	Low	Medium	Staff resources carefully managed, and balance of staffing needs regularly reviewed, with flexibility retained to provide additional capacity as required.
T	The Company is inadequately resourced in terms of management, accounting, legal and admin	Low	Medium	As above.
PROCUREMENT				
U	Failure to adhere to the Public Procurement Amendment etc) (EU Exit) Regulations 2020	Low	Low	Procurement rules transferred to the Company from the Council including the use of approved procurement frameworks.
OTHER				
V	Conflict of interest for members acting as Directors of the Company	Low	Medium	In accordance with the Council's constitution dispensations have been granted to Councillors allowing them to speak and vote at meetings where Company affairs are being discussed.
W	Company strays beyond its objectives	Low	High	Objectives clearly defined within governance documents and protected by annual Council approval of the Company's rolling Business Plan.
X	Inaccuracy in stock condition information on the properties prior to	Low	Medium	Detailed stock condition information acquired prior to acquisition. Surveys undertaken as needed to ascertain expected maintenance costs.

	acquisition leading to unexpected maintenance costs			New stock condition survey to be undertaken in yr 25/26
Y	Inclusion of trading activities weakens the Company's strategic focus	Low	Medium	The Company will provide mechanism for invoicing private work and will not detract from the strategic objectives of the Company's programme of activities.

Appendices

Appendix A – Shareholder Agreement (schedule 4)
Appendix B – Property Portfolio Valuation schedule 31/03/2025