

### **Extract from CIPFA's Local Authority Owned Companies – A good practice Guide (2022 Edition)**

#### **Housing Company Discussion of Implications**

The CIPFA Local Housing Companies document sets out the key issues to consider in relation to company structure and the reasons for setting up a company. It sets out the key risks and issues to be considered such as:

- Legal powers
- Governance and appointment of directors
- Financing
- Subsidy Control (aka State aid)
- Land acquisition
- Taxation
- Right to buy
- Accounting

In terms of the local context the key questions are:

- Reasons for the need for this type of vehicle
- Land available in council ownership
- Funds available
- Viability and business modelling
- Skills, knowledge, and capacity

In terms of funds see the latest resources statement approved as part of the approved budget for 2022-23, and an extract of S106 funds held for affordable housing reported to CG&AC in November 2021. Any use of s106 will need to be assessed against the original agreement terms and conditions. Section 106 commuted sums for affordable housing can be provided as a grant from the Council to any organisation providing the affordable homes required under the terms of the agreement.