

**James Elliman Homes Limited**

**Business Plan**

**April 2026 – March 2027**

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***V1 - DRAFT***

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## 1. Introduction

James Elliman Homes (JEH) was incorporated in 2017 with the primary objective of supporting the Council in its aim to improve affordable housing supply and provide good quality affordable accommodation for key workers, as well as homeless families and individuals.

It has been a relative success in supporting local residents into homes and helping to alleviate homelessness and temporary accommodation in the Borough but has not met its primary objectives. It has a rental income for over 170 properties and provides sought after affordable rental homes for local residents.

However, it has a problematic service level agreement (SLA) with the Council to deliver its services. The SLA is not fit for purpose and provides poor value for money in terms of operations and costs. This in tandem with low rent levels, poor allocations and income setting and collection, has undermined the performance of the Company and left it with no debt repayment strategy. As a result, JEH is not financially sustainable in its current form. To inform ongoing decisions, an options appraisal was undertaken by the Directors and the Council to assess the future company direction. This follows a Local Partnerships review, in 2022, who were commissioned to undertake a review of options for JEH. These combined review/options were prepared by the Directors and the Council and presented to the Council. This resulted in the need for deeper analysis of the options presented.

In October 2025, Inner Circle Consulting (ICC) were commissioned by the Council as Shareholder, to undertake an independent strategic review of the company. The scope of the commission is to provide:

- A clear and objective assessment of JEH's current position
- Validation and synthesis of existing financial, governance and operational analysis
- An appraisal of viable future delivery options
- A recommended direction supported by clear, Cabinet-ready next steps

The outcome of this review is due to be considered by the Shareholder during Q4 2025/26 which will identify its preferred model and subsequently create a delivery plan and revised business plan. In the interim, the company as part of ongoing business activities requires an interim operational business plan.

This Business Plan is an interim document to allow the ongoing operation and financial stabilisation of the company whilst the options appraisal work is completed and the longer-term strategy for JEH is identified. It covers a period of 12 months from 1 April 2026 and has been prepared on the basis that the company will continue in its current form but will take action to increase its income and reduce its on-going costs. Actions include:

- letting street properties at immediately higher market rent when they become available for new tenancies
- setting higher market reflective rent levels for 2025/26 and 2026/27 as the anniversary dates fall, to reflect the requirement of the Council's Letter of Support to maximise income.
- ensuring the revised Assured Shorthold Tenancies (AST's) are issued at the anniversary dates to all tenants.

- Reviewing the lease agreements with the Council for the TA blocks - Pendeen Court and High Street – Following the restatement of the accounts, it necessitates a full review of the existing leases to redress the costs and debt payments.
- Potential disposal of void properties where repair costs are prohibitive and the company is therefore unable to bring them up to lettable standard subject to restrictions in the debenture.
- Review of the rent collection and arrears position, (current and former arrears) and ensuring that actions are taken by SBC under the SLA.
- A review of the legal services provided to support the operational management of arrears, ASB and housing management.
- A full review of the SLA, to ensure that the existing services are being delivered to specification.
- A full review of the individual service costs allocated under the SLA.
- A review and change to the accounting system to ensure financial information is current and accurate.

## 2. Strategic Aim and Objectives

### 2.1 Strategic Aim

The strategic aim of JEH is to provide good quality accommodation for residents in Slough, either as temporary accommodation, discharge into PRS or as a permanent solution to their housing needs. The market in Slough is characterised by mostly houses and low-rise blocks of apartments, where rent levels and house prices are rising annually. This does align with the property mix in JEH.

### 2.2 Strategic Objectives

The strategic objectives of JEH, all of which support its strategic aim, are as follows:

- operate commercially and be financially sustainable;
- support the Council to provide Temporary Accommodation across the Borough;
- support the Council in the discharge of its homelessness duties;
- provide good quality PRS accommodation
- align shareholder and company objectives; and
- improve the loan to value ratio of the company.

## 3. Key Activities

A summary of the key future activities relating to JEH for the Business Plan period is included in the table below:

Activity	Description/Target Outcome	Target Completion Date
<p><b>Finalise the options appraisal including agreement on a preferred option and way forward</b></p>	<p>Commission an external consultancy with expertise in the housing sector to provide an appraisal of viable future delivery options for the company.</p> <p><b>Update June 2026</b> - Complete – Report to be presented to Cabinet for decision</p> <p>Development, approval and implementation of the preferred option with a detailed business plan underpinning the option. Further legal, financial and tax advice may be required to implement the outcome of the Options Paper.</p> <p><b>Update June 2026</b> – The council is procuring external consultants for stage two to oversee development of a comprehensive Business Plan that serves as the roadmap for the managed wind-down of James Elliman Homes (JEH). Following the completion of the JEH review, this will include estimated costs to provide project management and specialist advice</p>	<p>Q4 FY 2025/26 – Complete</p> <p>Q2 2026/27 - Commenced</p>
<p><b>Property valuations &amp; stock condition survey</b></p>	<p>Undertake joint property valuations and stock condition surveys</p> <p><b>Update June 2026</b> – The company has instructed the council under the Housing SLA to commission property valuations and stock condition surveys. This is now for the council to schedule following procurement and confirm dates</p>	<p>Q4 2025/26 – Instruction issued</p>
<p><b>Lease arrangements</b></p>	<p>Re-evaluate the current lease arrangements on Temporary Accommodation and seek a variation to the existing arrangements</p> <p><b>Update June 2026</b> – This activity is due to commence following the Cabinet report on next steps for the council. This has been delayed due to the deferment of the Cabinet report for approval. The Shareholder Panel is aware that this activity needs to commence</p>	<p>Q4 2025/26 – Delayed to Q2 2026/27</p>
<p><b>Uplift rents in short to medium terms</b></p>	<p>As tenancies end, rent on new lets will be uplifted to market rents.</p> <p>Set higher market reflective rent levels for 2026/27 and 2027/28 at anniversary dates.</p> <p>Ensure that all aspects of the Renters Rights Act are included w.e.f. 1<sup>st</sup> May 2026</p> <p><b>Update June 2026</b> – For all vacant properties, properties are let at rates between affordable and market rent. For all Assured tenancies there is an agreed rent increase on renewal (10% in 2025/26, 4.80% in 2026/27)</p> <p>Renters Rights Act – tenancy agreements have been amended. Letters all sent to existing tenants on the changes following Renters Reform. External legal services were appointed to undertake this activity.</p>	<p>Q3/Q4 FY 2025/26 Complete</p> <p>Q 1/Q4 FY 2026/27 &amp; 2027/28 Complete</p>

Activity	Description/Target Outcome	Target Completion Date
<p><b>Complete a skills audit of the Board and appoint additional Board Members</b></p>	<p>A review of the Board composition and identification of any gap in skills will be conducted. JEH currently has a sole director, and the skills audit will consider the desired skills of any additional directors to be recruited. This will also need to reflect the outcome of the options appraisal.</p> <p><b>Update June 2026</b> – Not yet completed. Articles and Association to be filed at Companies House and once future direction of the company is known, additional Directors can be appointed</p>	<p>Q4 FY 2025/26 Deferred to Q2 2026/27</p>
<p><b>Review JEH resource requirements</b></p>	<p>Review the operational resource requirements for JEH alongside the SLA review. This may be external support (e.g. Company Secretarial, legal, finance and professional advice) or interim appointments to deliver statutory requirements not covered by the revised SLA</p> <p><b>Update June 2026</b> – The company has engaged external company secretary support and uses external legal support. The housing and finance SLA is in draft for review.</p>	<p>Q4 2025/26 - Delayed to Q2 2026/27</p>
<p><b>Dispose of void properties (dependent on options appraisal outcome)</b></p>	<p>Given the Council’s wider financial objectives, JEH non-payment of interest charges and no debt repayment plan, the Directors have agreed that properties which have been identified as needing significant maintenance spend to bring them up to lettable standard should be considered for disposal.</p> <p>Additional tax advice will be required.</p> <p>As other properties become void, consider the case for disposal.</p> <p><b>Update June 2026</b> – The company has identified five void properties that it is exploring to dispose of.</p>	<p>Q4 FY 2025/26 Ongoing</p>
<p><b>Reduce rent arrears</b></p>	<p>Historically rent arrears have not been well managed, and significant arrears have arisen on some properties. Improved reporting to the Board on arrears has improved oversight but improved management of arrears and agreement of an arrears policy needs to be instilled in the JEH operations. This needs to be supported by stronger legal support.</p> <p>The JEH Board has instructed SBC housing to outsource the collection of Former Tenant Arrears.</p> <p><b>Update June 2026</b> – External legal support now in place to chase arrears including possession orders where debt recovery options exhausted</p>	<p>Q4 2025/26 Ongoing</p>
<p><b>Repairs and maintenance management</b></p>	<p>There are several properties requiring significant maintenance spend. Careful management of repairs and maintenance will be needed to allow JEH to meet its statutory obligations within its cashflow and letter of support constraints.</p> <p>The JEH Board should receive 12 months data on planned repairs and maintenance including a full stock condition survey. To date this has not happened, which means that the Board is not sighted on significant spend.</p> <p>Update June 2026 – The stock condition survey is still being commissioned by the council. Planned repairs and</p>	<p>Q4 2025/26 Ongoing</p>

Activity	Description/Target Outcome	Target Completion Date
	maintenance data now provided. The company Director meets regularly with the council to discuss progress and updates.	
<b>Continued focus on high risk areas (see Section 5)</b>	<p>The JEH Board reviews the risk register for JEH each month. There are several risks categorised as High on the register. There continues to be focus on actions to mitigate high risks</p> <p><b>Update June 2026</b> – The company reviews the risk register each Board meeting with an informal review monthly.</p>	<p>ONGOING FY 2025/26</p> <p>Complete</p>
<b>Conflicts of interest</b>	<p>Evidence of any conflicts of interest to be submitted to the Council.</p> <p>Update June 2026 – Each Board meeting, the Director and attendees are asked for any conflicts of interest and these are formally noted in the minutes. The Director attends the Shareholder Panel to present company updates in his capacity as Director.</p>	<p>ONGOING FY 2025/26</p> <p>Complete</p>

## 4. Governance

The governance structures in place for JEH are as follows:

- **Articles of Association** – The company operates under the revised Articles of Association filed at Companies House December 2025.
- **Board of Directors** – the Board of JEH meets on a quarterly basis to review the operational performance of JEH and the current financial position of the company. Under the housing Service Level Agreement, the housing council officers present to the Board Directors a report on operational and financial performance. observed by the designated shareholder representative attends all Board meetings.
- **Key Performance Data** – This information is provided on voids, compliance, repairs, financial accounts, rent collection, arrears management, ASB and lettings.
- **Operational Meetings** – JEH Directors and key members of the Council’s Housing Team providing services under the SLA will attend a monthly Operational Meeting and provide monthly performance statistics.

### 4.1 Board of Directors

The Board of Directors are responsible for:

- managing the day-to-day business activities and finances of JEH in accordance with the Companies Act and the Articles of Association;
- acting in the best interest of the company and promote the success of the business;
- undertaking legal responsibilities including preparing annual accounts, tax returns and company records;
- updating the Business Plan and report to shareholders;
- reviewing monthly income and expenditure and manage the financial position of the company;
- working with the shareholders on internal and external audits;
- reviewing and understanding the organisations risk profile and regularly review the risks and risk appetite; and
- undertaking a skills audit and review ongoing training requirements.

A skills audit needs to be completed on the Board, and suitable support should be put in place. This is likely to complete by 31 March 2026.

### 4.2 Council as Shareholder

JEH is a separate, distinct legal entity from the Council. However, the Council retains control through the ownership of all shares in the company. These shares, along with the reporting and governance structures in place give the Council the necessary means to exercise appropriate levels of control. As sole shareholder, the Council has the ultimate sanction of either removing the Board Members and appointing replacements or, ultimately resolving to wind up the company.

The relationship with the Council is primarily governed by the following:

- **Shareholder Panel** – the company Director provides an update to the Council’s Shareholder Panel as requested by the Panel and in accordance with the Council Owned / Controlled Entities Protocol contained within the Council’s Constitution;
- **the Loan Facility Agreement** – the loan agreement sets out the obligations of JEH in servicing the loan it has received from the Council, including the interest due relating to the loan; and
- **the Service Level Agreement** – the Service Level Agreement sets out the services provided to JEH by the Council in order to provide transparency in relation to the use of the Council’s staff and facilities in support of the company.

## 5. Key Business Risks

### **Fees – SBC to JEH for SLA Services**

The Board has not received reports evidencing whether SBC’s fees are calculated and charged in accordance with Schedule 5 of the SLA, which sets out agreed fees or rates to be charged to JEH. The annual increase in fees and rates should be agreed by reviewing CPI each February and April. This information should be considered when approving the annual budget, in monthly financial reports to the Board and as part of the annual review of the SLA.

### **Rents**

Rent setting and rent increases have not been applied properly. Most rents on allocation of the property have been applied at below Local Housing Allowance (LHA) levels. Rent increases, when applied, have mirrored social housing rent increases. They have been applied using September CPI percentages and implemented from the 1<sup>st</sup> April. The Assured Shorthold Tenancies (AST’s) issued to JEH residents require annual review of rents on the anniversary dates of the tenancy being signed.

Measures have been implemented to correct the position, where new tenancy agreements and rent increases have been issued.

### **Audits**

It is worth noting that the audits for 2022/2023 and 2023/2024 missed their statutory deadlines with the Company applying for extensions. The Company was fined £800 for missing both extended deadlines in 2023/2024. We are currently finalising the 2024/25 audit.

### **Company Secretarial Services**

Since 2019, these services have been provided by an external consultant, Ellen Little of DWS Business Planning. We have appointed Bridgehouse as Company Secretarial Support with effect from November 2025.

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A detailed risk register for JEH is maintained and updated monthly by the Board of Directors. Risks currently categorised as High include:

Description	Risk Category	Mitigation
A lack of future strategy for JEH results in a failure to address the financial viability and operational issues faced by the company.	High	A detailed options appraisal by external consultants has been undertaken and is being further developed to inform final decisions regarding the future options for JEH. Following the initial options work, a decision has been taken that JEH should start to address the deficit in rental income by letting street properties at market rent as they become available and review rents at annual anniversary dates
The company governance structures are unclear and not sufficiently documented. This leads to a lack of clarity on decision making and restricts the ability of the company to take action.	High	The company has a signed SLA and loan documentation with SBC. However, further work is required to establish a full suite of governance documentation, including a signed Shareholder Agreement and Scheme of Delegation. In addition, the SLA needs to be reviewed and fully implemented.
The Council has inadequate financial, legal and technical resources to support the day to day administration and management of the Company.	High	Financial and technical services are covered under the SLA between JEH and SBC. JEH can procure legal services directly as required. The company now has an identified Finance Business Partner in place and regular financial reporting is recommencing. Turnover in the roles has been high in the past, and this will continue to be monitored. The financial reporting is also to be addressed, as it is currently inadequate to facilitate decisions by the Board.
There is a delay in allocating tenants to vacant properties, which leads to financial losses for JEH	High	Void analysis, turnaround times, etc. are being monitored and managed at board meetings. However, improvements are still required.
There is limited financial information available to the Board, including a lack of transparency of costs incurred under the SLA and no visibility on future projected spend, including capital budget for major repairs. There is a risk that the Board is unable to make decisions due to a lack of financial information.	High	The SLA includes the charging arrangements for services rendered. This includes an annual amount for staff time, and then the ability to recharge costs incurred by SBC on JEH's account. This will feed back into the budgeting process and any variances against budget will then be picked up at the monthly Board meetings. The process for establishing recharge costs and presenting for Director approval still needs to be developed.
<b>Block of apartments Potential problems with the original build of the block have raised concerns about the fire risk to the building</b>	High	JEH has commissioned external legal and fire risk consultancy advice to resolve issues with the original builders. There is a current FRA in place.  The legal discussion is still continuing. At this stage there are no financial liabilities identified for the company and remains a contingent liability.

## 6. Operational Performance

The company measures its performance on a monthly basis using the following criteria:

- Void Properties – numbers and percentages around re-let criteria
- Compliance – recording inspection regime against the 6 statutory areas and damp and mould

- Repairs – numbers carried out – major works
- Rent collection – monthly income
- Arrears – current and former tenants - actions
- ASB – individual cases and actions
- Lettings – update on ready to let
- Financial Accounts – monthly income and expenditure

## 7. Financial Performance

### 7.1 Current Financial Position

The following table provides the financial profit and loss for 2024/25, the forecast against business plan for 2025/26 and the business plan for 2026/27. The business plan does not yet include any variation relating to any agreed changes with the council on varying the existing leases for temporary accommodation. A detailed breakdown of the budget can be seen in Appendix A of the business plan.

Profit and Loss	2024/25 DRAFT £m	2025/26 Business Plan Budget £m	2025/26 Forecast £m	2025/26 Forecast Variance £m	2026/27 Business Plan £m
Turnover	2.103	2.027	2.231	0.203	2.340
Operating expenses	-2.552	-2.603	-2.807	-0.204	-2.731
Finance Costs	-1.547	-1.551	-1.546	0.005	-1.551
<b>Profit / (Loss) before tax</b>	<b>-1.995</b>	<b>-2.126</b>	<b>-2.122</b>	<b>0.005</b>	<b>-1.943</b>

Assumptions within the business plan include:

1. Turnover – Increase rental values by a minimum of 10% reflecting year two of increases to uplift current rent to market rent on anniversary date of tenancy;
2. Void losses assumed at 7% per annum;
3. Housing SLA recharges (subject to negotiation) and sourcing external company secretary and finance support including a new finance system;
4. Inflation assumed to be CPI Q4 2025 3.45% and council tax for void properties being 5.06%;
5. Bad debt provision being 3.20%;
6. All other costs remain in line with current spend patterns for 2025/26; and
7. Loan interest remains in accordance with the existing treatment.

The above financial position does not include any variation to the existing lease agreements for Pendeen Court and High Street that the company acts as landlord with the council as tenant. Following the review resulting from the restatement of the company's accounts, the lease arrangement will need to be reviewed with the council.

Based on the profit and loss projections and incorporating the intercompany transactions following the restatement of the accounts, the cashflow forecast is shown in the next graph. Whilst the forecast indicates an overdrawn balance until July 2026, if the company were to meet all liabilities

including the payments due to the parent company (excluding interest), the company will seek short term agreements to extend payment terms to the parent company during Q1 and Q2 2026/27.

However, the company still requires a debt repayment strategy to repay the loan and interest to the council.

