Guildford Borough Council		
Report title: North Downs Housing Limited – Business Plan and Board update		
Report to: Executive Shareholder and Trustee Committee		
Date: 17 September 2026		
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Wards affected: Multiple **Ward councillors informed:** No		
Exempt from publication: No		
Key Decision: No	**If a Key Decision, date registered on Forward Plan:** N/A	
S24 Specific Consent Required from Shadow Executive: No		
Report cleared for publication by:		
Finance	Candice Keet	27 August 2026
Legal	Barnaby Yates	26 August 2026
Governance	Deborah Davies	27 August 2026
HR and Equalities	Julian Higson	24 August 2026
Strategic Director	Julian Higson	24 August 2026
Democratic Services	John Armstrong	24 August 2026
Executive Portfolio Holder final consultation		02 September 2026

1. Executive Summary

1.1 This report presents an update on board recruitment for North Downs Housing Ltd (NDH), and development of the company's new Business Plan

2 Recommendations:

2.1 That the Committee resolves to:

2.1.1 Note the contents of this report; and,

2.1.2 Note that the NDH Business Plan will be prepared and presented to the Committee following recruitment to the new board members and chair.

3 Reason for recommendation:

3.1 The Council continues to maintain an oversight of North Downs Housing Limited as shareholder through its holding company, Guildford Borough Holdings Limited.

4 Next steps

4.1 To the extent that there are relevant comments/views expressed on behalf of the Council as shareholder, the same to be relayed back to the company.

5 Exemption from publication

5.1 The report is not exempt.

6 Background and Proposal

6.1 North Downs Housing Limited (NDH) is a wholly owned subsidiary of Guildford Borough Council Holdings Limited which is in turn a wholly owned subsidiary of Guildford Borough Council.

6.2 Since the Committee last met in April 2026, NDH have submitted their 2024/25 audited accounts. These show an improved position from the previous year. The company has healthy cash

reserves, and maintains profitability. The net asset position has increased to £13.42 million.

6.3 NDH owes historical loan interest to the Council, totalling £518,309. The Council's Executive considered a report at its 20 August 2026 meeting that required NDH to make repayment of the loan within a period that is agreeable to both parties and does not risk the ongoing sustainability of the company.

6.4 The company currently has two directors who are both GBC employees. They bring experience primarily in housing management and finance.

6.5 In 2025, the Committee noted that Altair Ltd were appointed by the Council to carry out an appraisal into NDH's future and governance arrangements. The outcomes will form the basis for the new NDH business plan and operating model.

6.6 It was subsequently agreed with Altair that the governance aspect of their review should be completed as the first part of the sequence. This is to allow the recruitment and development of a Board that has the necessary skills and experience to shape the new business plan, alongside Altair as advisers.

6.7 In order to shape the board structure, Altair carried out a market assessment, sector benchmarking and a skills audit of the current NDH board. Their recommendation is to increase board membership by at least two, with a focus on experience in: private rented sector estate agency and management; and housing finance. Both will be external appointments. It is further proposed that one of the new board members will be recruited to be the new chair of NDH.

6.8 A board recruitment policy was drafted by Altair in April 2026, which has subsequently been agreed by the NDH Board.

6.9 The NDH Board has accepted a proposal from Altair to assist with recruitment to the vacant positions on the Board. Recruitment is now under way, with appointments scheduled for October 2026.

6.10 Once the expanded board and new chair are in place, NDH will be working with Altair on an updated business plan and operating

model. The Council has given the Board a target of end March 2027 for a draft business plan to de developed.

7 Links to our Strategic Priorities

7.1 NDH plays a critical role in providing homes that people need and can afford, supporting the Council's target to create more affordable and social housing options in response to local demand. The Council's housing improvement plan, reinforced through NDH's activities, ensures all properties meet or exceed the Decent Homes Standard, are safe, and accessible, and tenant satisfaction is regularly measured and acted on.

8. Opportunities for Collaboration and Local Government Reorganisation implications

8.1 After April 2027, NDH will become a wholly owned company of the new West Surrey Council (WSC). One of the implementation workstreams is mapping companies, charities and trusts across the new council area. NDH is part of that strand of activity.

8.2 Following vesting day, decisions about the future of NDH will be the responsibility of WSC, and will be taken using the best value principles that underpin all local authority decision-making.

8.3 NDH remains a viable and profitable business based on its latest audited accounts, with a positive net asset position and healthy cash reserves. The aim is to have a strong board and draft business plan in place for April 2027.

9. Consultation

9.1 N/A.

10. Key Risks

Options

11.1 Do nothing – do not receive and review the update on board recruitment and the business plan. However, this reduces the ability of the Council to understand the performance of the company and does not fulfil the Council's role as a shareholder.

11.2 Do something – receive and review the update and feedback comments to the company. **Recommended**.

11. Issues for consideration

12.1 Financial implications

12.1.1 There are no direct financial implications arising from the recommendations contained within this report. However, the Council has a significant financial interest in NDH through its investment in the company, outstanding loan balances and associated interest income.

12.1.2 The Council has made a significant investment in NDH and is benefiting from interest payments on the loans made to the company and charges made for services provided to the company.

12.1.3 A new business plan will be required to ensure the company has effective direction, governance and retains a healthy financial position.

12.1.4 The Secretary of State issued a direction under s24 Local Government and Public Involvement in Health Act 2007 (the "s24 Direction") which requires that Guildford Borough Council, Runnymede Borough Council, Surrey Heath Borough Council and Waverley Borough Council (the "West Surrey Councils") obtain the written consent of the executive of the West Surrey Shadow Authority (the "Shadow Executive") before entering into certain contracts or completing certain land disposals. The purpose of the s24 Direction is to ensure that the Shadow Executive considers and approves land disposals or contracts that will become the responsibility of West Surrey Council, and to ensure that West Surrey Council is in the best possible financial position on vesting day (1 April 2027).

12.1.5 At its meetings on 9 June 2026 and 21 July 2026, the Shadow Executive agreed to give some General Consents to the outgoing West Surrey Councils to allow them to continue to

undertake certain matters. The matters which fall within the definitions of the General Consents can proceed in the normal way and require no further consent to be obtained. Nevertheless, in these cases it is expected that the outgoing West Surrey Councils will ensure that contracts and agreements allow the maximum flexibility to the new West Surrey Council to achieve future economy, efficiency and effectiveness. Decisions made under the General Consents will be reported to the West Surrey Council.

12.1.6 Where matters fall outside the definition of the General Consents then the consent of the Shadow Executive will be required if the contract/land disposal is not to be void.

12.1.7 This report is for noting only and does not seek authority to enter into any contract, dispose of land or create any new financial commitment. Accordingly, the requirements of the Section 24 Direction are not engaged by the recommendations contained within this report.

12.2 Legal implications

12.2.1 The Council, acting through the Executive Shareholder and Trustee Committee, has the power to operate and manage Guildford Borough Council Holdings (GBCH) and through it North Downs Housing (NDH) using the General Power of Competence under s1 of the Localism Act 2011. In exercising its powers over GBCH, and NDH, the Council remains subject to its general duties, such as its fiduciary duty, and must exercise the power with a proper purpose.

12.2.2 The Council's role as the shareholder is to safeguard the public money that has been invested and ensure that the company is performing against its business plan to deliver the objectives. This report provides for the Council to obtain appropriate information and advice to fulfil the shareholder role.

12.2.3 This report has been prepared in consideration of the above legislation and the Companies Act 2006.

12.3 Human Resources and Equality and Diversity Considerations

12.3.1 Our Duty under the Equality Act 2010 has been duly considered and found that there are no equalities or human resources implications directly arising from this report.

12.4 Climate Change / Sustainability Implications

12.4.1 None arising from this report.

13. Overview & Scrutiny Comments

13.1 None.

14. Suggested issues for Overview & Scrutiny

14.1 None.

15. List of Appendices

Appendix 1 – 2024/25 company accounts
Appendix 2 – NDH Board Recruitment Policy

16. List of Background papers

16.1 None.