



This Report will be made public on 7 October 2025

Report Number **C/25/43**

**To:** Cabinet  
**Date:** 15 October 2025  
**Status:** Non-Key Decision  
**Director:** Andy Blaszkowicz, Corporate Director – Housing & Operations  
**Oportunitas Chair:** Councillor Rich Holgate

**SUBJECT: OPORTUNITAS – Q1 PROGRESS REPORT 25/26 To 30 June 2025**

**SUMMARY:** This report provides an update from the Board of Oportunitas Ltd (“the company”) on activities undertaken during the first quarter of the 2025/26 financial year, including a projected outturn for the profit and loss account for the period to 31 March 2026 compared to the original forecast, based on activity to 30 June 2025. This report is in-line with the requirement contained in the Shareholder’s Agreement between the company and the Council.

**REASON FOR RECOMMENDATIONS:**

Cabinet is asked to agree the recommendations set out below because:-

- a. Oportunitas Ltd (“the company”) is required to provide regular updates to Cabinet as set out in the Shareholder’s Agreement between the company and the Council.

**RECOMMENDATIONS:**

1. To receive and note report C/25/43.
2. To note the latest projected outturn for the Profit and Loss Account of Oportunitas Limited for the financial year ending 31 March 2026.

## 1. BACKGROUND

- 1.1 The report provides a financial update for the first quarter of the current year including the latest projected outturn for the company's profit and loss account for the financial year ending 31 March 2026 compared to the original forecast for the year which was set as part of the current approved Business Plan.

## 2 INVESTMENT PORTFOLIO UPDATE

### 2.1 Property Portfolio

- 2.1.1 The company's current property portfolio remains at 75 residential units and 1 commercial unit, summarised in the table below:

Address	Units	Type
Walter Tull Way, Folkestone	5	2 x 1 bed units 2 x 2 bed units 1 x 3 bed unit
2 Grove Terrace, Dover Road, Folkestone	1	1 x 4 bed unit
15 Grace Hill, Folkestone	5	5 x 1 bed units
15 Grace Hill, Folkestone	1	1 x commercial unit
82 - 84 Leyburne Road, Dover	8	8 x 2 bed units
19 Castle Hill Avenue, Folkestone	10	9 x 1 bed units 1 x 2 bed unit
84 Sidney Street, Folkestone	4	3 x 1 bed units 1 x 2 bed unit
1 Claremont Road, Folkestone	5	5 x 1 bed units
10 Radnor Park Avenue, Folkestone (Royal Victoria Hospital – Phase A)	18	15 x 2 bed units 3 x 1 bed units
8a Radnor Park Avenue, Folkestone (Royal Victoria – Phase B)	19	17x 2 bed units 2x 1 bed units
<b>Total</b>	<b>76</b>	

- 2.1.2 All existing residential properties are currently tenanted with the exception of one unit at Leyburne Road in Dover, at the time of writing this report it is currently in the process of being prepared to let and will be marketed shortly. Where vacancies have occurred the company's agents have worked hard to minimise void periods. The company uses Smith Woolley as its main managing agent for the property portfolio. Management of all the assets within the company continue to be kept under regular review.

- 2.1.3 The company continues to maintain a property safety register to document key areas of safety compliance across its property portfolio including, but not limited to, gas, fire, electrical and legionella. The register is continually reviewed with both managing agents and then shared with the Board

members each month. The August 2025 position of the register identifies no compliance issues within the portfolio.

## 2.2 Rental Arrears

2.2.1 At 30 June 2025 the property portfolio has tenant rental arrears of £5.8k for its property portfolio, an increase of £0.6k compared to the previously reported total of £5.2k at 31 March 25.

2.2.2 There are four tenants with rental arrears of one month or more as at 30 June 2025 and the managing agent is working closely with those tenants to actively reduce this. The position continues to be closely monitored for all the arrears and action may be taken by the company, using the Council's Legal Services team in conjunction with the managing agents, in line with the company's Debt Management Policy.

## 3. FINANCIAL UPDATE FOR 2025/26

3.1 The company's latest financial update for 2025/26 was reported to the Board on 24 September 2025 and a copy is shown in **appendix 1** to the report. The update shows the latest projected outturn for the profit and loss account compared to both the original forecast and previous projection for the current financial year to 31 March 2026.

3.2 In summary, the company's profit and loss account is projected to make an operating profit of approximately £8.4k for the year, a decrease of £1.3k compared to the original forecast operating profit of £9.6k. Whilst rental income has increased slightly with properties that have been re-let in the quarter this is off-set by slightly higher costs.

3.3 The company's property portfolio will be revalued as at 31 March 2026 ahead of finalising the accounts for the financial year.

3.4 The latest projected net financial benefit to the Council from the company in 2024/25 compared to the original estimate is shown in the table below:

	Estimate 2025/26 £'000	Projection 2025/26 £'000
Loan interest	364	364
Loan repayments	18	18
Staff costs - reimbursement	46	46
Members Allowances - reimbursement	12	12
Grounds Maintenance recharge	8	8
Dividend	35	35
<b>Total Benefit</b>	<b>483</b>	<b>483</b>
Less, FHDC capital financing cost	(550)	(532)
<b>Net Financial Deficit</b>	<b>(67)</b>	<b>(48)</b>

- 3.5 The total benefit to the council has remained the same as budgeted. Once the financing costs to the council are deducted the net position is a deficit although this is reducing year on year through the business plan period.
- 3.6 It should be noted that the cumulative benefit to the council from the company is projected to be £1,277k at the end of 25/26.

#### **4. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS**

- 4.1 **Legal (NM)** – The power for councils to trade their services for cost recovery only has been in force for many years. The power for councils to establish companies to trade for profit is set out in the Localism Act 2011. The company model provides a mechanism for local councils to operate more commercially and generate profit.

Officers have taken specialist legal advice from Bevan Brittan and will continue to work with these external legal advisers as and when the need arises.

- 4.2 **Finance (DL)** – This report has been prepared in conjunction with Financial Services and there are no further comments to add.
- 4.3 **Equalities (GE)** – There are no diversity or equalities implications arising from this report.
- 4.4 **Climate Change (DL)** - There are no climate change implications arising from this report.

#### **5. CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

Councillors with any questions arising out of this report should contact the following officers prior to the meeting:

Daniella Loxton, Principal Accountant (Capital and Treasury)  
Telephone: 01303 85 3583  
Email: [daniella.loxton@folkestone-hythe.gov.uk](mailto:daniella.loxton@folkestone-hythe.gov.uk)

Gavin Edwards, Board Administrator (Oportunitas Ltd)  
Telephone: 01303 853436  
Email: [gavin.edwards@folkestone-hythe.gov.uk](mailto:gavin.edwards@folkestone-hythe.gov.uk)

#### **Appendices:**

**Appendix 1:** Oportunitas Ltd Board Meeting 24 September 2025 - Financial Update Report for 2025/26

**Oportunitas Board Meeting 24 September 2025**

**Oportunitas Limited – Financial Update for 2025/26**

**Prepared by Dani Loxton**

**Summary:** This paper provides an initial update of the company's financial position for the financial year ending 31 March 2026, based on income and expenditure to 30 June 2025, including the latest projected outturn for its trading activities.

**Recommendations:**

**The Board note the latest financial position for 2025/26 outlined in this paper.**

## 1. Introduction and Background

- 1.1 This paper provides an initial update to the Board of the company's financial position for the financial year ending 31 March 2026, based on income and expenditure to 30 June 2025. It provides the latest projected outturn for the company's trading activities compared to the approved business plan for the year and explains the key variances. Further updates on the company's projected outturn for the current financial year are planned to be made to future Board meetings over this period.

## 2. Profit and Loss Account Projected Outturn 2025/26

- 2.1 The table below provides an initial projection of the outturn position of the company's trading activities for the financial year to 31 March 2026, compared to the approved business plan.

Profit and Loss Account	2025/26 Budget £	2025/26 Latest Projected Outturn £	2025/26 Actual to 30/06/25	2025/26 Variance Budget to Latest Projection £
<b>Property Rental</b>				
Rental Income	773,150	780,258	253,894	7,108
Rental Expenses	(265,246)	(273,667)	(89,473)	(8,421)
Special Item - Stock Condition Survey	(20,000)	(20,000)	0	0
Special Item - Major External Repairs & Redecorations	(32,150)	(32,150)	0	0
Net	455,754	454,442	164,421	(1,313)
<b>Grounds Maintenance</b>				
Income	10,000	10,000	0	0
Expenses	(8,000)	(8,000)	0	0
Net	2,000	2,000		0
<b>Overheads</b>				
Directors Remuneration	(12,094)	(12,094)	0	0
FHDC Officer Support	(46,358)	(46,358)	0	0
Operating Expenses	(26,087)	(26,087)	(12,770)	0
Total Overheads	(84,539)	(84,539)	(12,770)	0
<b>Loan Interest</b>	(363,524)	(363,524)	0	0
<b>P &amp; L Operating Surplus / (Deficit) for period</b>	<b>9,691</b>	<b>8,378</b>	<b>151,651</b>	<b>(1,313)</b>
P & L Operating Loss b/f	1,366,910	1,366,910	1,366,910	0
<b>P &amp; L Operating profit c/f</b>	<b>1,376,601</b>	<b>1,375,288</b>	<b>1,518,561</b>	<b>(1,313)</b>

2.2 The projected outturn shows a small operating profit of £8.4k for the year, a decrease of £1.3k compared to £9.6k profit forecast in the business plan. The main reasons for this variance are outlined below:

<b>Variances 2025/26 Business Plan to Projected Outturn</b>		<b>£'000</b>
i)	<b>Rental Income</b> – Rent increased for properties that have been let to new tenants.	7.1
ii)	<b>Housing Rental Expenses</b> – Repairs and maintenance costs increased based on 24/25 actual expenditure and spend to date	(8.4)
<b>Total decrease in operating profit compared to business plan</b>		<b>(1.3)</b>

2.3 The approved business plan and projected outturn for the year currently includes the special items for;-

i)	Stock condition survey	£20k
ii)	Major external repairs	£31.2k

The company business plan allocated a budget of £31.2k in 25/26 for the cost of undertaking maintenance and preventative works at 19 Castle Hill Avenue Folkestone. Quotes for the works will be sought in due course.

2.5 The company's accumulated operating profit is forecast to decrease by £1.3k to £1,383k at 31 March 2026.

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