Policy & Resources Committee	
Meeting Date	13th July 2026
Report Title	Winding Up of Swale Rainbow Homes Limited
EMT Lead	Emma Wiggins, Director of Regeneration and Neighbourhoods
Head of Service	Charlotte Hudson, Head of Housing and Communities
Lead Officer	Charlotte Hudson, Head of Housing and Communities
Classification	**Open**
Recommendations	1. To approve the winding up of Swale Rainbow Homes (SRH) Ltd. 2. To delegate to the Head of Housing and Communities, in consultation with the Head of Mid Kent Legal Services, to take all necessary steps to effect the winding up of the company.

1. Purpose of Report

1.1 Swale Rainbow Homes Limited was incorporated on 15th April 2021 as a Local Housing Company wholly owned by Swale Borough Council to advance the delivery of affordable housing in the borough. This report sets out the reason that this vehicle is no longer the most appropriate route for delivering these objectives and recommends the winding up of the company.

2. Background

2.1 The company was formed in April 2021 following a decision by Cabinet on 28th October 2020, the preferred route at that time to establish a LHC which gave the Council greater freedom to look at a wide mix of tenures to ensure the sites were brought forward and to enable delivery of affordable homes.

2.2 Since incorporation, the company has been governed by directors appointed by the Council as shareholder. The initial and current directors are Councillor Monique Elaine Bonney (appointed 15 April 2021), Councillor Ben Jonathan Martin (appointed 15th April 2021), Emma Wiggins (appointed 15th April 2021) and Charlotte Louise Hudson (appointed 15th April 2021). This board structure has ensured oversight of the project and progression of the Cockleshell Walk project throughout the company's operations.

2.3 Since the initial modelling in 2020, there has been significant changes to the UK economy and in particular the construction industry. With significant inflation in materials and labour market shortage, and significant increase in borrowing rates, this has led SRH to review the financial appraisal assumptions of the schemes.

2.4 A revised model was developed by the Director of Resources (s.151 Officer) taking into consideration modelled build costs, current interest rates and the intended operating models. Different tenures and therefore rent levels were also considered as part of the modelling. This identified the shortfall in funding for the scheme and levels of external funding that needed to be secured, to make the scheme viable and meet the objectives set out by Cabinet in 2020.

2.5 To secure grant funding from Homes England, it was recommended by SRH and agreed by the SRH Shareholder Panel that the Council would be best placed to secure the funding and become an Investment Partner (IP). Therefore, IP status was applied for and in order to hold the homes, SBC is required to be a Registered Provider (RP) via the Regulator of Social Housing (RSH), a critical step allowing funding access.

2.6 Up until now, SRH has taken the lead on the scheme; however, given changes in the financial landscape and the requirement for grants, the Council is now better positioned than SRH to continue advancing the scheme. This therefore makes SRH and the associated Shareholder panel surplus to requirements.

2.7 It is therefore proposed that the company be wound up voluntarily and contracts held by SRH are novated to the Council.

2.8 The process would involve instructing legal advisors to handle the formalities, including filing necessary documents with Companies House.

3. Reasons for Recommendation

3.1 Winding up the company ensures an efficient exit from a vehicle that is no longer required to achieve the Council’s objectives of delivering affordable homes.

3.2 Retaining the company would incur unnecessary costs, such as annual filing fees and potential liabilities from dormant status, without any benefit.

4. Alternative Options Considered

4.1 None as the company is no longer required.

5. Recommendations

5.1 To approve the winding up of Swale Rainbow Homes Limited and novate contracts from SRH to the Council.

5.2 To delegate to the Head of Housing and Communities, in consultation with the Head of Mid Kent Legal Services to take all necessary steps to effect the winding up of the company.

6. Consultation Undertaken or Proposed

6.1 No external or public consultation is required, as the matter pertains to internal company administration post-asset disposal.

6.2 The scheme and governance structure was considered by Housing, Health and Communities Committee on 25th March 2026 and made a recommendation to Policy and Resources Committee to close the company.

7. Implications

Issue	Implications
Corporate Plan	The proposal supports efficient resource management.
Financial, Resource and Property	This will reduce the filing costs and administrative costs of a company.
Legal, Statutory and Procurement	Complies with the Companies Act 2006 for voluntary winding up and Section 123 of the Local Government Act 1972 for value maximisation. Legal advisors will ensure adherence; no procurement involved.
Crime and Disorder	None identified at this stage.
Environment and Climate/Ecological Emergency	None identified at this stage.
Health and Wellbeing	None identified at this stage.
Safeguarding of Children, Young People and Vulnerable Adults	None identified at this stage.
Risk Management and Health and Safety	None identified at this stage.
Equality and Diversity	None identified at this stage.
Privacy and Data Protection	None identified at this stage; winding up involves standard company data handling.
Local Government Reorganisation	None identified at this stage.

8. Background Papers

Establishment of LHC - October 2020
Cockleshell Social Homes Report March 2026