

Report sponsor: Rachel North- Strategic
Director Communities and Place
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Delegation of authority to approve affordable housing schemes

Purpose

- 1.1 This report seeks approval to delegate authority to the Strategic Director of Communities and Place in consultation with the Strategic Director of Corporate Resources and S151 Officer and Cabinet Member for Adults, Health and Housing to approve expenditure up to a total cost of £2.5m for each new affordable acquisition or development, providing that they can be contained within the current approved 3 year Housing Revenue Account (HRA) capital programme and meet all necessary financial parameters.

Recommendations

- 2.1 To delegate authority to the Strategic Director of Communities and Place following consultation with the Strategic Director of Corporate Resources and S151 Officer and Cabinet Member for Adults, Health and Housing for a period of 12 months to;
 1. approve expenditure on each affordable housing acquisition or developments up to a total cost of £2.5m providing that they can be contained within the existing approved capital programme and meet all necessary financial parameters and procurement regulations where applicable.
 2. approve the changes to the HRA capital programme as required for the addition of these schemes.
 3. enter into all necessary agreements required to deliver the affordable housing acquisitions or developments.
 4. review the delegated authority after 12 months
- 2.2 To agree to the developments and acquisitions the subject of these delegations being incorporated within the Councils housing stock to be managed by Derby Homes.

Reasons

- 3.1 Delegation will offer more dynamic opportunities for the Council to secure affordable housing developments and acquisitions that currently may be missed due to the length of time it takes to secure a Cabinet decision.
- 3.2 Delegated approval will only be sought after the scheme has been presented to the HRA Capital Board and on the recommendation of the HRA Capital Board, who will ensure that the scheme meets the necessary financial assessment and parameters.

- 3.3 The housing market is currently extremely competitive where purchase decisions need to be proposed and agreed within a short timescale and this trial period for 12 months will better enable the Council to respond to the current market conditions.

Supporting information

- 4.1 The HRA is a ring-fenced account which controls the Council's affordable housing stock. With further loss of affordable properties through the Right to Buy (RtB) scheme and the number of households on the Council's affordable housing waiting list increasing, there remains a need to maximise the opportunity for further affordable housing to be delivered in the City.
- 4.2 Until 2018/19 additional affordable housing was predominantly delivered by Registered Providers. However, the lifting of the debt cap in 2018/19 provided an opportunity for the Council to deliver these much needed additional affordable homes through the adopted HRA capital development programme. In line with the Council's Financial and Contract Procedure Rules, all new affordable developments and acquisitions secured within the HRA capital programme are required to receive the following approval;
- Head of Estates and Property Review if total spend is up to £100,000
 - Cabinet Member approval if total spend is up to £250,000
 - Cabinet approval if total spend is over £250,000
- 4.3 The current approved 3 year capital programme indicates that the Council can deliver up to 500 additional affordable homes. However, the programme is often constrained by the length of time it takes to secure Council approval to proceed. If the time taken to secure approval, currently up to 3 months, was reduced this would better position the Council to secure new affordable developments that may otherwise have been missed.
- 4.4 Therefore, it is proposed that each new qualifying acquisition or development that currently requires Cabinet Member or Cabinet approval is presented to the HRA Capital Board that meet monthly. Board members will review each qualifying acquisition or development to ensure compliance with required financial assessment and parameters as well as design standards and then give a recommendation on whether or not to proceed.
- 4.5 Once a recommendation to proceed from the HRA Capital Board is given, delegated authority would be sought from the Strategic Director of Communities and Place, in consultation with the Strategic Director of Corporate Resources and S151 Officer and Cabinet Member for Adults, Health and Housing.
- 4.7 Moving forward, it is the development programmes delivered by the Council and Derby Homes that can have the most significant impact on meeting affordable housing numbers and needs within the City. The developments delivered by the Council are designed with officer input and are the most effective way of ensuring that the new affordable homes meet the Council's preferred specification and quality ambitions.

Public/stakeholder engagement

- 5.1 The HRA Capital Board will review each scheme that currently requires Cabinet Member or Cabinet approval and provide a recommendation to the Strategic Director of Communities and Place along with the Strategic Director of Corporate Resources and S151 Officer and Cabinet Member for Adults, Health and Housing.
- 5.2 Ward Councillors will be briefed on each new acquisition or development that falls within their ward.

Other options

- 6.1 The Council could continue to work under existing approval limits. However, this will not maximise the opportunity to deliver much needed affordable housing within the city at pace.

Financial and value for money issues

- 7.1 As detailed in the body of the report

Legal implications

- 8.1 All acquisitions will be subject to the Council's standard due diligence processes. The Council's legal services will provide legal advice on the acquisition documentation.

Climate Change Implications

- 9.1 As a minimum all new developments will be built to current thermal efficiency standards. However, as there are proposed changes to Building Regulations setting out the Future Homes Standard that will require an increase in the energy efficiency for new homes, the Council and Derby Homes will review the specification and design approach for each new development.
- 9.2 Consideration will be given to energy efficiency technologies such as air source heat pumps and solar photovoltaic panels whilst at the same time also reviewing the most appropriate approach in relation to running costs for tenants.
- 9.3 In the coming months the Council and Derby Homes will be establishing a bio diversity specification to further support the overall sustainability of new developments.

Other significant implications

- 10.1 This is an opportunity to help maximise the opportunities to secure additional affordable homes to be delivered by the Council in a timely and efficient manner.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Olu Idowu	11/06/21
	Emily Feenan	14/06/21
Finance	Mazer Hussain	14/07/21
Service Director(s)	David Fletcher	14/07/21
Report sponsor	Rachel North	
Other(s)	Ian Fullagar	12/07/21
	Alex Hough	11/06/21
	David Enticott	13/07/21

Background papers:	None
List of appendices:	None