



Report sponsor: Rachel North - Strategic  
Director Communities and Place  
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Housing Development Manager

## **Extension of delegation to approve affordable housing schemes**

### **Purpose**

- 1.1 This report seeks to extend the existing delegated approval, granted by Cabinet in August 2021, for the approval of affordable housing schemes 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 for a further 3 years.

### **Recommendation(s)**

- 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 3 years to
  1. approve expenditure on each affordable housing acquisition or development 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.
- 2.2 To agree to the developments and acquisitions that are the subject of these delegations being incorporated within the Councils housing stock to be managed by Derby Homes.
- 2.3 To report back to Cabinet following a review of the delegation before the expiry of the 3 year period.
- 2.4 To approve the HRA Boards Terms of Reference.

## **Reason(s)**

- 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 Delegated approval will allow the for greater scale and pace on smaller new build developments.
- 3.4 To ensure that the delegation is on going and continues to meet the opportunities to deliver affordable housing.
- 3.5 In the interests of effective and efficient programme management, it is appropriate to approve further delegations as outlined in the HRA Board Terms of Reference.

## **Supporting information**

- 4.1 In August 2021 Cabinet approved a delegation of up to £2.5m for each affordable housing acquisition or development as outlined in 2.1 for a period of 1 year. As part of that approval it was proposed to review the delegation after 10 months to allow for continuity if so decided.
- 4.2 The delegation was proposed to expedite delivery of additional council homes to help mitigate the loss of affordable properties through the Right to Buy (RtB) scheme and for those households on the Council's affordable housing waiting list which is increasing.
- 4.3 Between August 2021 and May 2022 there has been a total of 17 acquisitions across 9 wards approved via the delegation. These acquisitions would previously have been approved by a Formal Cabinet Member meeting. The delegation route has saved in the region of 32 ½ hours of officer time plus Cabinet Member time. The financial saving in officer time is approx. £1,654.
- 4.4 The delegated process allowed for a quicker response to the purchase of acquisition properties reducing the risk of that purchase not proceeding because the correct approval was not in place in time.
- 4.5 The delegated process allowed for a quicker response to the purchase of property types of high demand. This included 4 and 5 bed properties, as well as larger bungalows for families needing accessible accommodation.
- 4.6 Terms of Reference (ToR) for the HRA Board have been compiled to give the HRA Board a structure of governance that promotes the delivery of the HRA capital programme but also allows an effective and efficient response to changes required to programme. The ToR allow limited flexibility to the programme managers and the Senior Responsible Officer to manage the programme within the existing budget.

- 4.7 Work has commenced and progressed on the pipeline of 8 new build sites for the HRA Capital Programme. Currently 3 of those sites will meet the criteria for delegated approval and that route is expected to save in the region of 46 hours of officer time equating to and approx. financial saving of £2,950.
- 4.8 The extension for delegated approval is proposed for 3 years so it is in line with the HRA Capital programme.

### **Public/stakeholder engagement**

- 5.1 HRA Capital Board and Cabinet Member have been consulted about the proposed extension and are supportive of the proposed 3 year extension.
- 5.2 Ward Councillors have been informed of the acquisitions within their ward and all acquisitions have been relayed to Cabinet Member.

### **Other options**

- 6.1 The Council could revert to working under the previous 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 The delegation has provided a cost saving on officer time and will continue to offer those savings going forward. The current saving would be approx. £4,604.00 plus Councillor time.
- 7.2 Of the 17 acquisitions there were x5 properties that were vacant. By a quicker proactive purchase it prevented those properties potentially becoming long term vacant and requiring intervention by the Empty Homes Team incurring officer time and cost.

### **Legal implications**

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

### **Climate 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 A new bio diversity specification to further support the overall sustainability of new Build homes is in development. The specification will also outline site conditions that should be considered at feasibility stage to try and address climate change.
- 9.4 Where properties are acquired they undergo refurbishment and improvement works. Part of this work includes improving their Energy Performance rating (EPC) up to a C rating, often from a D or E.

### **Other significant implications**

- 10.1 This is an opportunity to continue 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:**

<b>Role</b>	<b>Name</b>	<b>Date of sign-off</b>
<b>Legal</b>	Olu Idowu	28-06-22
<b>Finance</b>	Amanda Fletcher	28-06-22
<b>Service Director(s)</b>	David Fletcher	08-07-22
<b>Report sponsor</b>	Rachel North	
<b>Other(s)</b>		

<b>Background papers:</b>	None
<b>List of appendices:</b>	1 HRA Terms of Reference