

Time started 2.30pm  
Time ended 2.48pm

## **Urgent Leader of the Council Cabinet Member Meeting 4 October 2022**

Present: Councillor Poulter (Chair) and Councillor Barker

In Attendance James Joyce – Head of Housing Options and Homelessness (Derby Homes)  
Olu Idowu – Head of Legal Services

11/22 Apologies

There were no apologies.

12/22 Identification of Urgent Items to which Call-in will not apply

It was confirmed that consent had been granted from the Chair of the Executive Scrutiny Board for the matter under consideration as an urgent key decision (detailed at minute number 15/22) to be exempted from call-in.

The reason for urgency was that the deadline for submission of the bid to the Department of Levelling Up, Housing and Communities (DLUHC) was 10 October 2022. The funding was only announced in late July 2022 and it had not been possible for a report to be prepared for the Council Cabinet meeting held on 14 September 2022 and the next scheduled meeting was 12 October which was after the deadline for submission of bids.

13/22 Declarations of interest

There were none.

14/22 Minutes of the meetings held on 26 August 2022

The minutes of the meetings held on 26 August 2022 were agreed as a correct record.

### **Urgent Decision – Key Decision**

15/22 Department of Levelling Up Housing and Communities (DLUHC)  
Capital Grant Opportunity Linked to Devolution Deal

The Leader of the Council considered an urgent report of the Strategic Director of Communities and Place which stated that in July 2022, the Department of Levelling Up, Housing and Communities (DLUHC) offered a bidding opportunity to D2N2 authorities for housing related capital projects which would be a strategic fit for the department, and which could largely be delivered in the financial year 2022/3.

Derby Homes, on behalf of Derby City Council, and Nottingham City Council had co-produced a bid to DLUHC for capital funding of up to £1.9m for the development of a

Private Rented Sector Leasing Scheme in Derby and expansion of an existing Private Rented Sector Leasing Scheme in Nottingham.

Private Rented Sector Leasing Schemes created additional housing solutions for families owed duties under the Homeless Reduction Act 2017, by allowing local authorities and their partners to channel properties to households in most need; properties otherwise unavailable to homeless families in an increasingly competitive market. Such schemes also supported Government requirements for the use of B&B accommodation for families to be minimised wherever possible.

The scheme would enable DCC and NCC to lease up to 55 private rented sector properties from private landlords over an extended period (5 years) which could then be let to homeless families currently in or otherwise headed for B&B accommodation.

Derby Homes, on behalf of Derby City Council, had also produced a bid to DLUHC for capital funding of up to £1.122m to part fund the development of 15 additional homes to be owned by Derby City Council and let at an affordable rent. These homes would aim to help respond to the current shortage of affordable housing by providing additionality in the affordable housing market.

With historically low turnover of social housing in the city, the impact of not providing sufficient additionality was translating into more placements into temporary accommodation and bed and breakfast accommodation and those placed waiting longer and longer for more suitable longer-term accommodation.

The capital funding for the development of 15 additional homes was a 40% contribution towards the 2022/23 and 2023/24 capital costs of the proposed scheme. The remaining 60% would be funded through the Housing Revenue Account (HRA).

The closure date for applications to DLUHC was close of business on 10<sup>th</sup> October 2022.

### **Options Considered**

1. The Council could choose not to submit a bid for a Private Rented Sector leasing scheme. This was not recommended as the city was already struggling to meet the requirements for interim accommodation under the Homeless Reduction Act 2017. Not proceeding with a Private Rented Sector Leasing Scheme would continue to limit the housing options available to discharge these duties.
2. The Council could choose not to submit a bid for additional affordable new build housing. This was not recommended as the city was already struggling to meet housing need. Whilst alternate funding such as Right to Buy Receipts could be utilised to deliver these schemes, using this grant opportunity would allow for those receipts to be used to gain further additionality in the City.
3. The Council could choose to bid for alternate provision. Officers felt that the bids, as presented, provided the best opportunity to continue to manage housing need in Derby.

### **Decision**

1. To authorise the submission of a joint bid with Nottingham City Council to DLUHC of up to £1.9m of capital grant (Private Rented Sector Leasing Scheme) and to

authorise the submission of a bid by Derby City Council to DLUHC of up to £1.122m of capital grant.

2. If the Council is successful in the bidding process:
  - To delegate approval of the acceptance of the resultant DLUHC grant to the Strategic Director of Communities and Place, following consultation with the Strategic Director of Corporate Resources and Cabinet Member for Adults Health and Housing, subject to acceptable grant conditions.
  - To authorise the transfer of the Derby element of the resultant Private Rented Sector Leasing Scheme grant award to Derby Homes, in line with the 2021 Partnership Agreement.
  - To delegate approval to the Strategic Director of Communities and Place, following consultation with the Strategic Director of Corporate Resources and Cabinet Member for Adults Health and Housing, to authorise flexibility across the Derby City and Nottingham City allocation of Private Rented Sector leasing grant to respond to underspends across either region to ensure the allocation is fully spent.
3. To authorise Derby Homes to identify and process all necessary grant payments to third parties in relation to the Private Rented Sector Leasing Scheme, in line with the 2021 Partnership Agreement and subject to the approval of the Strategic Director of Communities and Place.
4. To approve the use of Assured Shorthold Tenancies for the purpose of allocating to the newly leased properties, in line with the requirements of the bid.
5. To delegate to the Strategic Director of Communities and Place following consultation with the Strategic Director of Corporate Resources submit any subsequent bid and to receive grant funding in respect of the business cases detailed in paragraph 4.15 of the report.

## **Reasons**

1. The submission of a bid would enable the Council to continue to expand the availability of accommodation that could be used to discharge the Councils' duties under the Homeless Reduction Act 2017.
2. The bid also sought to increase the availability of accommodation for those in housing need.
3. In line with the Council's finance procedures rules, Council Cabinet approval was required prior to submitting a bid for external funding and for accepting a bid for external funding.
4. The bid required the use of leases between Derby Homes and Private Landlords. These leases must be of a minimum 5-year duration. In turn these leased properties would be let on Assured Shorthold Tenancies with a minimum period of 6 months to those with an identifiable housing need under the Homeless Reduction Act 2017. The use of Assured Shorthold Tenancies was permitted under the terms of the Derby Homes Tenancy Policy and Councils Tenancy Strategy.

MINUTES END