

## **CABINET**

**8 AUGUST 2023**

### **DELEGATED AUTHORITY FOR HRA ACQUISITIONS**

Portfolio Holder: Councillor Naushabah Khan, Portfolio Holder for Housing and Property

Report from: Richard Hicks, Chief Executive

Author: Adam Spokes, Head of HRA Property and Development

#### **Summary**

This report seeks approval for delegated authority to be given to the Director of Place, in consultation with the Portfolio Holder for Housing and Property, to agree expenditure on increasing the Housing Revenue Account (HRA) affordable housing stock, as and when a financially viable development opportunity becomes available.

#### **1. Recommendation**

1.1. It is recommended that Cabinet delegates authority to the Director of Place, in consultation with the Portfolio Holder for Housing and Property, to purchase properties from the development budget agreed by Council in February 2023.

#### **2. Suggested reasons for decision**

2.1. The delegated authority will facilitate the purchase of relevant properties, which will allow the HRA to respond at short notice to opportunities that may arise.

#### **3. Budget and policy framework**

3.1. Cabinet approval is required for sites that are not being directly delivered by the HRA.

3.2. Cabinet is responsible for ensuring expenditure remains within the budget and capital programme agreed by Full Council. The relevant budget was approved by Council in February 2023. £12million was added to the HRA development programme, detail referenced in background papers, below.

## 4. Background

- 4.1. The HRA continues to utilise a range of methods to increase the amount of Council homes.
- 4.2. A previous delegation and budget (£10million) was approved with a standalone report by Council in July 2020. This budget is now committed across a range of schemes.
- 4.3. Officers are seeking a delegation to the Director, in consultation with the relevant Portfolio Holder, to allow the HRA to respond at short notice to opportunities that may arise, including the purchase of “turn key” sites or s106 contributions, where the Council is not directly undertaking the development with a contractor.

## 5. Options

- 5.1. There are two options available to the Cabinet;
- 5.2. Option one - Agree for authority to be delegated to the Director, in consultation with the relevant Portfolio Holder, to purchase properties for the HRA within the approved budget.
- 5.3. Option two - Not agree to delegated authority.

## 6. Advice and analysis

- 6.1. Option one allows the Council to respond at pace to opportunities by streamlining the approval process.
- 6.2. Option two would require officers to seek approval from the Cabinet to purchase properties. Whilst in some cases, time would allow for this, more often than not agreements need to be reached quickly to realise opportunities in a competitive market.

## 7. Risk management

- 7.1. Foreseeable risks attached to this decision are detailed below.

Risk	Description	Action to avoid or mitigate risk	Risk rating
<b>Option one: Governance</b>	Less robust governance associated with significant HRA expenditure	Officers continue to review the HRA business plan regularly to ensure that it is robust and covers forecasted expenditure.	CIII

Risk	Description	Action to avoid or mitigate risk	Risk rating
		Individual appraisals are submitted to the Portfolio holder and Director when requesting the use of delegated authority.	
<b>Option two: Pace</b>	Opportunities to purchase stock are missed due to inherent governance timescales.	Cabinet agrees the recommendation in the report.	DIV

For risk rating, please refer to the following table (please **retain** table in final report):

<b>Likelihood</b>	<b>Impact:</b>
A Very likely B Likely C Unlikely D Rare	I Catastrophic II Major III Moderate IV Minor

## 8. Consultation

8.1. No consultation is required.

## 9. Climate change implications

9.1. Whilst the decision does not have a direct impact on climate change, the HRA will look to purchase accommodation that is of good quality and meets required building regulations. Furthermore the Council will be obliged to improve the property in line with future standards issues by the government or the regulator of social housing.

## 10. Financial implications

10.1. There are no direct financial implications to the decision in this report. In approving the budget and capital programme for 2023/24 in February 2023, Full Council approved the addition of a total of £12million to the HRA capital programme, comprising £6.25million for new purchases, £500,000 for Phase 4 of the new build programme and £5.25million for Phase 6. The delegation being sought would enable the Director, in consultation with the Portfolio Holder to purchase properties up to the value of the approved budget only.

## 11. Legal implications

- 11.1. Councils, through their HRA, can meet housing need by acquiring houses, under provisions within the Housing Act 1985. Any agreement to acquire housing units for the HRA should be in format agreed by the Chief Legal Officer.
- 11.2. This delegation is only seeking authority for sites where there is already budget provision. Any additions to the budget would be a matter for Full Council. Previous delegations have been linked to specific projects or specific additions to the budget and therefore this separate delegation is being proposed to allow for the purchase of units where they become available and it may not be practicable to delay to allow for a full governance cycle,

### Lead officer contact

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### Appendices

None

### Background papers

[Capital and Revenue Budget 2023/24, Council 23 February 2023](#) Detail set out in 13.4.1 p17, recommendations in 24.13