

Notice of NON KEY Executive Decision containing exempt information

This Executive Decision Report is part exempt and Appendix A is not available for public inspection as it relates to exempt information within the meaning of Paragraph 3 of Schedule 12A to the Local Government Act 1972(as amended) as it contains information relating to the financial or business affairs of the Council and other persons. It is considered that the public interest in maintaining the exemption outweighs the public interest in disclosure.

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| Subject Heading: | <i>Affordable Homes for Local People - Revenue Funding Grant Acceptance (GLA Right to Buy Back Fund)</i> |
| Cabinet Member: | <i>Councillor Paul McGeary – Lead Member for Housing</i> |
| SLT Lead: | <i>Patrick Odling-Smee – Director of Housing Services</i> |
| Report Author and contact details: | <i>James Delaney –Strategy & Policy Officer (Housing)</i> |
| Policy context: | <i>Grant funding will support Havering’s ambitions to provide more genuinely affordable homes for local people</i> |
| Financial summary: | <i>The report seeks permission to accept GLA revenue funding totalling £142,646 to fund three members of staff to expand the delivery of affordable homes under the Right to Buy Back programme.</i> |

The subject matter of this report deals with the following Council Objectives

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|-------------------------------|-------------------------------------|
| Communities making Havering | <input type="checkbox"/> |
| Places making Havering | <input checked="" type="checkbox"/> |
| Opportunities making Havering | <input checked="" type="checkbox"/> |

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

For the reasons stated in this report, it is recommended that the Director of Housing in consultation with the Lead Member for Housing:

- (a) accepts the offer of £142,646 in grant funding from the Greater London Authority (GLA) as part of the Right to Buy Buy-back Revenue Fund, and
- (b) approves entering into the GLA Grant Agreement in exempt Appendix A.

AUTHORITY UNDER WHICH DECISION IS MADE

In accordance with the Council's constitution – Part 3 Responsibility for Functions Paragraph 3.3 Powers of Members of the Senior Leadership Team.

General powers:

- (a) To take any steps necessary for proper management and administration of allocated portfolios

Financial Responsibilities:

- (c) In consultation with the relevant Cabinet Member to apply for, accept and manage external funding up to a limit of £500,000 per grant in support of any function within their Directorate provided that any financial contributions by the Council are made from within existing budgets.

STATEMENT OF THE REASONS FOR THE DECISION

The Greater London Authority (GLA) introduced the Right to Buy Back fund in 2021 to deliver increased levels of genuinely affordable housing in the capital to the London-wide housing crisis.

Accepting the grant funding offer will provide three additional officers within the Housing department for one year to increase capacity for the Right to Buy Back programme. Havering has successfully delivered 33 homes through the programme so far, with 47 more purchases planned for 2022/23. Utilising this programme, we buy suitable homes within the borough and let them at social rents for local residents with an identified housing need. The programme helps re-supply properties that are lost through Right to Buy sales and helps reduce homelessness. Homes are maintained to decent homes standard, ensuring that residents have a safe and secure place to live.

The Council has an established team of two officers set up to complete acquisitions, but the team's capacity to purchase more properties is limited by its size.

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We would deliver more completions this year and be able to plan for further acquisitions in the future if we accept funding from the Right to Buy Back Revenue Fund for additional staff.

The identified staff requirement is for three overall posts, on one year fixed term contracts, consisting of:

- Two additional Sales, Acquisitions and Marketing Officers, who will directly manage the acquisitions process.
- One Senior Sales, Acquisitions and Marketing Officer to supervise the two officers and oversee the programme's activity.

We forecast the additional capacity from these posts would increase the Council's Right to Buy Back purchasing activity by over 30 properties this year.

This addition to the boroughs housing stock is particularly welcome as the number of homes sold using the Right to Buy process has risen with 478 Havering homes sold in the last five years adding pressure to housing in the borough. Council housing stock in Havering has reduced from approximately 13,000 homes to just over 9,400 in the last 14 years meaning pressure on Housing in the Borough has increased with demand for homes in the borough outstripping supply.

This is a great opportunity to provide homes that are available to local people at social rent levels at a time when more residents are struggling to afford housing. As housing demand increases, it is essential to make the most of external funding opportunities to minimise the impact on Council resources and enable the successful Buy Back Programme to continue.

The homes procured by the Right to Buy Back team are subject to meeting strict criteria to ensure the properties are a net asset to the borough, and are economically viable, alongside meeting environmental standards that allow us to meet future green targets. Before acquisition properties are surveyed and valued by an independent RICS Surveyor and inspected by our Stock Condition Surveyor to see if any works are required and the costs to bring properties up to our Decent Homes Standards.

Additionally, properties acquired are a mix of 1,2,3 & 4 bedroom flats, maisonettes and houses throughout the borough to provide suitable options for people in all circumstances.

The funding conditions associated with the grant would require the Council to accept and perform its obligations, which the Council are able to fulfil. The full details are set out in Exempt Appendix A, however the main conditions include:

- Regular review meetings & monitoring reports of progress to the GLA
- Maintaining an accurate record of the scheme in the GLA-OPS system
- Maintaining accurate records to enable a future compliance audit
- Letting the 30 additional homes procured through the Right to Buy Back fund homes at or under the current benchmark for affordable rent levels for the relevant financial year
- Advising the GLA of any events that may prevent meeting the project objectives

OTHER OPTIONS CONSIDERED AND REJECTED

5.1 Do Not Accept Grant Funding

By not accepting funding from this grant programme we would be missing a significant opportunity to secure external funding to provide more homes that are available to local people at social rent levels.

The salary costs of Sales, Acquisitions and Marketing Officers can be capitalised against the capital budget for the acquisitions that they manage, subject to evidence and time assessments. However, this decreases the overall amount of capital funding available for the acquisitions programme, meaning that potentially less homes could be delivered overall. The Council receives £100,000 per property in grant funding, paid on completion. This is a flat rate for each property, applied against the total cost, there is no additional capital funding available toward the costs of staff.

The Council may also choose to fund the salary costs from the Housing Revenue Account revenue budget, but this could also reduce the overall amount available for other housing services that benefit Council tenants. The preferred option would always be to accept external funding provision, as it doesn't affect existing Council budget allocations.

Without the additional funding for the three identified posts we would not be able to support further Right to Buy Back activity, as the programme currently ends in April 2023, this would be a missed opportunity to deliver genuinely affordable housing for local people.

PRE-DECISION CONSULTATION

N/A

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Kirsty Moller

Designation: Head of Programme & Support (Regeneration)

Signature:

Date: 10/07/22

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

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The Council has a statutory duty under Section 8 of the Housing Act 1985 to consider housing conditions in its district and the needs of the district with respect to the provision of further housing accommodation.

Section 1 of the Localism Act 2011 gives the Council a general power of competence to do anything an individual can do, subject to any statutory constraints on the Council's powers. The recommendations in this report are in keeping with this power and the Council has the power to accept grant funding and enter into the related grant agreement.

Officers will ensure they are cognisant of the funding conditions associated to with the grant and agree the Council is able to accept and perform its obligations.

FINANCIAL IMPLICATIONS AND RISKS

£142,646 funding is approved by the GLA for the year 2022-23.

The Council's funding bid for the three additional members of staff was supported and verified within an appendix showing salary calculations

Once the funding expires, new funding will be required for posts continuing after 31 March 2023

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

The recommendations made in this report will require the creation of 3 new posts for a temporary period from July 2022 to June 2023.

This will constitute a minor temporary restructure of the Home Ownership team which will be managed in accordance with The Council's HR policies and procedures.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, and sexual orientation.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

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ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

10.1 There are no direct implications relating to the environment or climate change relating to this report. The homes procured by the Right to Buy Back team are subject to meeting strict criteria to ensure the properties are a net asset to the borough, and are economically viable, alongside meeting environmental standards that allow us to meet future green targets. Before acquisition properties are surveyed and valued by an independent RICS Surveyor and inspected by our Stock Condition Surveyor to see if any works are required and the costs to bring properties up to our Decent Homes Standards.

BACKGROUND PAPERS

None

APPENDICIES

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| Appendix A | GLA Agreement for the Provision of Funding | Exempt |
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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Details of decision maker



Signed

Patrick Odling-Smee
Director of Housing Services

Date: 05/07/22

In consultation with:



Signed:

Councillor Paul McGeary
Lead Member for Housing

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall.

Non Key Executive Decision – Part Exempt Report

For use by Committee Administration

This notice was lodged with me on _____

Signed _____