

Cabinet

14 October 2020

**Council housing delivery- Durham
County Council development potential**

Key Decision No: REG/02/20



Report of Corporate Management Team

Amy Harhoff, Corporate Director of Regeneration, Economy and Growth

Councillor Kevin Shaw, Cabinet Portfolio Holder for Housing and Assets.

Purpose of the Report

- 1 To provide Cabinet with the information requested at its March 2020 meeting detailing the business case to begin building council housing and to seek approval to begin a programme of council house building from 2021 – 2025.

Executive summary

- 2 On 18 March 2020 Cabinet considered a report on the potential for the Council to build homes for rent. The report outlined the strategic case for council house building and identified a number of issues that required further work before an informed decision could be made.
Cabinet:

- (a) noted the strategic argument for the Authority to intervene within the housing market by directly building and owning Council houses; and,
 - (b) agreed to the development of a business plan and associated strategy which will be the basis of a future report.

- 3 This report will outline the ‘business case’ for the Council becoming actively involved in the direct delivery of affordable homes in order to assist the market in meeting housing need in the County. It will cover
 - the strategic case for DCC starting a council house building programme;

- Homes England support;
- financial viability;
- land availability;
- development capacity and expertise;
- housing management services;
- establishing a Housing Revenue Account;
- Right to Buy implications;
- scale of ambition.

- 4 In summary there is a strategic case for the Council to become actively involved in delivering affordable homes across the County. The County Durham Housing Strategy 2019 to 2024 has two key objectives that support this initiative. Firstly the strategy seeks to "maximise the delivery of affordable homes in the County" and secondly there is a commitment to "deliver homes to meet the needs of older people within our communities and supporting people to live independently for as long as possible." The proposal in this report is central to the Housing Strategy and represents a direct contribution to achieving both objectives in areas of housing need across the County.
- 5 At this particular time, a new building programme will also support the ongoing economic and community recovery from the Covid 19 pandemic.
- 6 There is an annual requirement to deliver 836 affordable homes and actual delivery falls well short of this requirement. The Housing Strategy seeks to increase the delivery of affordable homes to meet the identified gap and additional new homes for rent can form an important part of the strategy.
- 7 Three options have been considered:
 - (a) do nothing;
 - (b) provide direct capital grant to partner RSLs to increase affordable housing supply;
 - (c) provide capital grant to support a Durham County Council new build programme.
- 8 Although options (b) and (c) deliver additional new affordable homes for rent, the latter option results in a significant asset being owned by the County Council as a result of its investment, rather than the Council's investment resulting in a partner RSL increasing the value of its asset base. In view of this option (c) is recommended to Cabinet.

- 9 New Council building will help meet a proportion of the annual shortfall in supply of affordable homes. At this stage a focus on bungalow accommodation with a mix of general needs housing would be a focus for any new programme.
- 10 In addition to this proposal, officers are working on other delivery models to help bridge the gap between affordable homes required and those being delivered. Such interventions could include direct purchase of existing homes to sit within a future HRS and working with house builders to include council housing on a larger scale. Separate reports will be presented on these other proposals.
- 11 The financial modelling that has been undertaken shows that in order to implement a sustainable house building programme significant capital subsidy is required as the affordable rent income would not support the development and build costs together with the ongoing revenue implications. The capital subsidy would come from Homes England Grant, S106 funds, local authority land appropriation and a direct capital subsidy per property from the Council's capital programme.
- 12 On 10 September, Homes England published details of its Affordable Homes Programme 2021 to 2026. Nationally, £7.39 billion has been made available to provide grants to deliver up to 130,000 affordable homes over the five year period. Appropriate applications will be made to Homes England to benefit from this programme subject to the Cabinet's decision.
- 13 The scale of any development programme has also been considered within the financial modelling. It is important that any agreed programme is deliverable and with that in mind this report suggests that a programme of up to 500 new homes between 2021 and 2026 would be ambitious but achievable. Annual programme reviews will consider delivery performance. This would help up to 500 families access high quality but affordable homes.
- 14 A 500 homes programme would result in a total capital spend of approximately £70 million which would help support the local construction industry and associated supply chain during the extended Covid 19 recovery period. It is envisaged that emerging work with Procurement on a Durham Local Wealth Building programme will ensure that local communities and businesses have the opportunity to benefit.
- 15 The programme would require direct capital subsidy of approximately £25,000 per property (£12.5 million in total) to be met from the Council's capital programme.

- 16 The modelling is based upon Durham CC land being appropriated and this will impact upon the current asset disposal programme resulting in approximately £3.16 million being forgone in capital receipts.
- 17 Council has already budgeted for £1 million over the next two financial years and this will be able to support the various costs associated with delivering the build programme.
- 18 The modelling has been based on 'affordable rents' being charged. These are rents at a level up to 80% of the market rents and would be similar to those charged by the Registered Providers (RPs) operating in Durham. Any development supported by Homes England Grant would be supported by a 'Framework Delivery Agreement' which would specify that the properties can be let at affordable rents.
- 19 Council capacity to deliver a new build programme and ongoing housing management and maintenance is limited. The report therefore suggests that a mix of internal and external capacity is procured to develop and deliver the programme and that housing management and maintenance services are provided by a partner Registered Provider until such time as the scale of council home ownership and income supports consideration of an in house service.
- 20 The Council closed its Housing Revenue Account in 2015 when it transferred its housing stock to Believe. As part of the closure of the account Government agreed to write off the debt on the account amounting to £130 million. It is a legal requirement to have a HRA once the Council owns 200 homes. Currently the council owns 17 residential properties which are held in the general fund. Should Cabinet agree to a new house building programme then at some stage during the programme the 200 homes level will be reached, and a Housing Revenue Account will need to be created.
- 21 It is a requirement of s76(3) of the Local Government and Housing Act 1989 that a budget is set that does not result in a deficit. As such the capital subsidies identified in the report are needed to ensure that is the case. In addition, the Council will need to seek the Secretary of State's confirmation that the Government will not seek to reinstate the £130 million debt that was written off at the time of stock transfer. Such confirmation has been provided in recent years to councils that have started a house building programme.
- 22 New homes for rent will be let under Secure Tenancies. As a consequence, they will be subject to the Right to Buy with tenant discounts in line with legislation. The RTB scheme has a cost floor rule that reduces the tenant discount to zero in the event that the cost floor (ie the cost of building the property) is higher than the RTB value with

discount. These cost floor provisions apply for 15 years in the case of new homes being built by the Council. As such the cost floor rules will effectively prevent purchases with any discount for 15 years and after that period RTB purchases with discounts would apply.

Recommendation

23 Cabinet is recommended to:

- (a) agree to begin a Council house building programme of up to 500 homes over the period 2021 – 2026, with annual programme reviews;
- (b) provide additional capital funding of £12.5 million from the Council's Capital Programme over the same period.
- (c) agree the use of £1 million allocated in the 2020/21 and 2021/22 General Fund budget to provide the capacity and expertise to develop and deliver the house building programme;
- (d) agree the principle of appropriating Council land at nil cost to facilitate the new build programme;
- (e) agree the principle of setting rents at affordable levels subject to a more detailed report on rent setting strategy;
- (f) note that the successful delivery of the programme will require the Council to re establish a Housing Revenue Account and to seek confirmation from the Secretary of State that the previous write off of HRA debt will not be resurrected;
- (g) receive a further report on the proposed build programme for 2021/22 and the indicative programme for 2022 – 2026.

Background

- 24 On 18 March 2020 Cabinet considered a report on the potential for the Council to build homes for rent. The report outlined the strategic case for council house building and identified a number of issues that required further work before an informed decision could be made.
- Cabinet:
- (a) noted the strategic argument for the Authority to intervene within the housing market by directly building and owning Council houses; and,
 - (b) agreed to the development of a business plan and associated strategy which will be the basis of a future report.
- 25 This report will outline the ‘business case’ for the Council becoming actively involved in the direct delivery of affordable homes in order to assist the market in meeting housing need in the County. It will cover
- the strategic case for DCC starting a council house building programme;
 - Homes England support;
 - financial viability;
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 - housing management services;
 - establishing a Housing Revenue Account;
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 - scale of ambition.

The strategic case for DCC starting a council house building programme

- 26 There is a national shortage of affordable housing that is acknowledged by Government. At a County Durham level there is also a need to increase the supply of affordable homes to meet the targets outlined in the Local Plan and to help individuals and families who are in housing need.
- 27 The County Durham Housing Strategy contains the following priorities in relation to affordable housing:
- ‘The delivery of affordable housing will be maximised both by securing developer contributions as part of new housing development but also through close partnership working with Registered Providers and Homes England.’*

'Affordable homes will continue to be delivered through national affordable housing programme grant and via S106 legal agreement. The Council will work in partnership with registered providers and maximise opportunities to deliver affordable homes'.

- 28 The Council is a Registered Housing Provider and as such is included in the Council's strategy for the delivery of affordable homes.
- 29 In County Durham there are 242,160 dwellings with approximately 51% being owner occupied, 28% privately rented and 21% affordable homes owned by Housing Associations.
- 30 The Council was the largest social housing landlord in Durham prior to the stock transfer in 2015, owning and maintaining 18,500 homes representing nearly 40% of the social housing stock in the County. The stock transfer took place in order to ensure the long term capital investment into the stock. Prior to transfer the Council had significant housing revenue resources:
 - (a) annual rental income of £67 million;
 - (b) expenditure on management, repairs and maintenance of £29 million;
 - (c) debt level of £220 million against HRA borrowing;
 - (d) interest on housing borrowing of £13 million; and
 - (e) revenue surplus remaining to support the capital programme of £25 million.
- 31 The 2015 transfer signalled the end of the Council being a landlord and directly managing and maintaining social housing. The vast majority of the associated support in managing the stock (housing management, finance, trades, income collection, ICT etc.) has been taken on directly through Believe Homes or for some limited services is delivered under contract from the Council, e.g. open space maintenance.
- 32 The transfer, whilst securing the capital investment needed to maintain the properties over a long period, resulted in a significant funding stream within the HRA being lost to the Council and also saw the housing management and maintenance expertise leaving the Council.
- 33 Across the County there are 18 Registered Housing Providers that have active development programmes and together with private sector developers have delivered the following levels of affordable homes in the County.

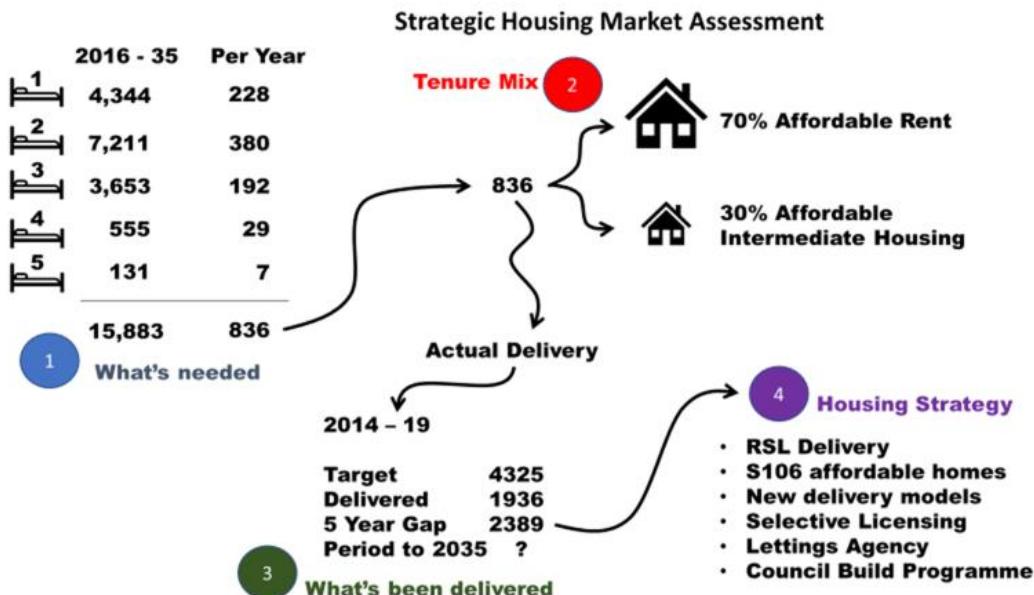
	2014/15	2015/16	2016/17	2017/18	2018/19
Total	347	262	322	473	532

- 34 In terms of assessed need for affordable housing the SHMA identifies that there is a need to provide 836 additional affordable homes per annum over the 19-year period 2016 to 2035. This assessment would provide for current unmet needs for affordable housing in addition to projected future growth in affordable housing need.
- 35 As context, the Strategic Housing Market Assessment (SHMA) identifies that the total number of homes needed in County Durham is 1,308 dwellings per annum. The requirement for affordable housing therefore equates to 64% of the total housing need in County Durham.
- 36 The table in 30 above shows that the delivery of affordable homes is falling well short of the assessed annual requirement. The Council's housing strategy aims to put in place interventions that help bridge the supply gap.
- 37 In addition, the SHMA considered the type of tenure that the affordable housing should take and concluded that 70% of the annual supply target of 836 should be homes for affordable rent with the remaining 30% being intermediate housing to provide affordable ownership.
- 38 The SHMA considers the need for different sizes of affordable homes in County Durham, based on bedroom numbers. The findings are set out in the table below. The evidence in the SHMA shows that there is a need for family sized housing to be provided, but that there is also a high need for smaller housing units. This is driven by demographic change which is creating smaller household sizes.

	County Durham 2016-35	County Durham Annual Need
AFFORDABLE HOUSING		
1 bedroom	4,334	228
2 bedrooms	7,211	380
3 bedrooms	3,653	192
4 bedrooms	555	29
5+ bedrooms	131	7
Total	15,883	836

- 39 The graphic below summarises the assessed affordable housing requirement and the current market delivery performance. A further report will be presented to Cabinet to consider the wider strategic

interventions that can be considered to meet the significant affordable homes gap that is increasing on an annual basis.



- 40 Whilst the SHMA identifies a need for all sizes of affordable housing, and any council delivery programme would require an appropriate mix of house types and sizes, the availability of affordable housing for older people is a particular concern.
- 41 Older people are more likely to live in small households, usually as couples and single people, and a minimum of 90% of household growth over the County Durham Plan period up to 2035 will be in households aged over 65.
- 42 DCC Choice based lettings has seen a significant rise in the demand for bungalow provision across the county, in line with the evidence from the SHMA.
- 43 The table below shows the top ten areas of need/demand. As can be established from the table the need is wide-spread across the county and is not an isolated issue.

Area	1 Bed	2 Bed	3 Bed	Grand Total
Consett	6	40	1	47
Newton Aycliffe, Shafto	7	18	3	28
Ferryhill, Cleves Cross	3	24		27
Spennymoor Town Centre	7	17	2	26
Brandon	10	15		25
Seaham 3 = Harbour, Parkside, Princess, Dawdon, Denehouse	13	12		25
Murton	16	5		21
Seaham 2 = Eastlea, Deneside, Dalton le dale and Northlea	13	8		21
Church Estate, Blackhill	5	15		20
Woodhouse Close Estate, Bishop Auckland (Upper)	6	13	1	20

- 44 The overall requirement of 260 units may be inflated as there will be areas of crossover where applicants have expressed an interest in more than one area (eg Seaham 3 and Seaham 2). Even taking this into account there is still an immediate need and demand for bungalows within the county which needs to be filled.
- 45 An additional benefit of increasing the supply of bungalows at affordable rents is that older people moving accessing these new properties would likely free up a number of general need affordable homes for families in housing need.
- 46 Despite the growing need, in recent years very few properties specifically aimed at older people have been built. Data on completions highlights that in a three year period from 2016 to 2019 less than 100 bungalows were built in the County.
- 47 To summarise
- (a) there is a clear under provision of affordable rented homes in the County and the annual delivery is falling far short of the numbers required;
 - (b) there is a specific lack of provision of bungalow accommodation;
 - (c) evidence from the SHMA and DCC Choice Based Lettings System indicates that new affordable homes of all sizes are required, however there is a specific lack of supply of bungalow accommodation;
 - (d) the Council's Housing Strategy aims to maximise the opportunities to deliver affordable homes;

- (e) increasing the supply of new build affordable homes will help bridge the gap in provision and is consistent with the Council's Housing Strategy.

Options

48 Three options have been considered:

- (a) do nothing;
- (b) provide direct capital grant to partner RSLs to increase affordable housing supply;
- (c) provide capital grant to support a Durham County Council new build programme.

49 Do Nothing:

- (a) this option would not provide any additional affordable homes to help meet the undersupply that exists within the County. The option would however not require a significant capital resource from the Council;
- (b) this option is not recommended.

50 Provide direct capital grant to partner RSLs to increase affordable housing supply:

- (a) our RSL partners face the same financial challenges in relation to new developments and this option would provide total capital subsidy of £12.5 million to enhance their build programmes in the County;
- (b) the RSL would have in place the capacity and expertise to deliver an enhanced new build programme;
- (c) up to 500 new homes would be built by RSLs subject to the same support from Homes England;
- (d) the new homes would be in the ownership of the RSL developer;
- (e) housing management policies and strategy would be the responsibility of the RS;
- (f) this is an option that would deliver against the objective of increasing the supply of affordable housing in the County.

51 Provide capital grant to support a Durham County Council new build programme:

- (a) the capital support would allow the delivery of up to 500 new homes;
 - (b) the Council will need to procure the development expertise to deliver the new build programme;
 - (c) The asset would be owned by the Council;
 - (d) the County Council would oversee policy and strategy in relation to housing management;
 - (e) this would deliver against the objective of increasing the supply of affordable housing in the County.
- 52 Both options in paragraphs 47 and 48 above would meet the strategic objective of increasing the supply of affordable homes in the county. The capital investment that is being sought in this report represents a substantial commitment from the Council and the retention of the asset within the ownership of the Council is an important consideration. In addition, the Council would have direct control of housing management and maintenance strategy and associated policies. On balance it is recommended that the capital subsidy be used to start a Council new build programme.

Financial Viability

- 53 Since the report to March Cabinet, financial modelling has been undertaken to identify the financial viability of starting a Council House Building Programme. The model summary is attached at Appendix X
- 54 Modelling has been undertaken based on various housing numbers scenarios of 50,200,500,1000 and 2000 homes. There is very little difference in the resultant input/output figures across the range of homes.
- 55 In order to understand the financial implications of a programme of new build this report assumes an ambitious but deliverable target of up to 500 over a five year period from 2021 onwards.
- 56 Up to 500 units is achievable from both a delivery and land holding standpoint. This would also significantly assist towards meeting the affordable housing shortfall noted above.
- 57 The model considers the costs associated with building, managing and maintaining the new homes together with the anticipated rental income and various capital subsidies. As the HRA budget cannot be set with a deficit resulting a break even position in year 1 is required.

58 The main elements of the financial model are:

(a) Income:

- (i) affordable rents (up to 80% of market rents);
- (ii) provision for bad debts.

(b) Expenditure:

- (i) development costs;
- (ii) build costs;
- (iii) loan costs;
- (iv) management and maintenance costs;
- (v) future planned maintenance costs;
- (vi) inflation.

(c) Capital Contributions / Subsidy:

- (i) Homes England Grant (£35k per property);
- (ii) land (DCC land at nil cost);
- (iii) Capital 'Gap' Requirement to break even in year 1 (DCC capital programme).

59 The modelling shows that with DCC land at nil cost and £35,000 Homes England grant an annual deficit results and break even is not achieved until year 23. This is based upon a 30-year business model. Legislation requires that the HRA cannot be budgeted for a deficit. In other words management of the housing stock must at least break even, which in our case is not achieved until year 23. The Council no longer has HRA reserves to support any short term deficit and the General Fund is not allowed to subsidise the HRA and vice versa.

60 As a consequence, the modelling shows that with a Homes England grant (or s106 commuted sum contribution) of £35,000 and land at no cost a further capital subsidy(average) of £25,000 is required to deliver a break even position at year 1.

61 For a new build programme of up to 500 homes this would require a total capital commitment of £12.5 million from the Council's Capital programme between 2021 and 2026. This will result in a total capital spend of approximately £70 million which would help support the local

construction industry and associated supply chain during the extended Covid 19 recovery period.

- 62 Discussions have also taken place with Homes England (HE) to assess the appetite for investment within the County. DCC has a history of close working with HE to assist RP's claim grant funding, up to the value of around £50 million over the last 5 years for the County. In addition, we have had success with our own infrastructure programme with HE, having acquired in excess of £15 million.
- 63 On 10 September, Homes England published details of its Affordable Homes Programme 2021 to 2026. Nationally £7.39 billion has been made available to provide grants to deliver up to 130,000 affordable homes over the five year period. Subject to Cabinet's decision, appropriate applications will be made to Homes England to benefit from this programme under the continuous market engagement (CME) route, which will allow the Council to apply for funding for individual schemes, subject to Cabinet's decision.
- 64 Another legitimate source of capital funding is the commuted sums from s106 agreements. A total of £1.84 million is available to support the delivery of affordable housing and this could be utilised to support the Council house building programme subject to location of development and any conditions relating to the commuted sum.
- 65 The new build programme requires HE or S106 funding to make the individual schemes viable and sustainable. Without this subsidy the direct capital contribution needed from the Council would be (on average) £60,000 per property which is not considered feasible.
- 66 The modelling has been based on 'affordable rents' being charged. These are rents at a level up to 80% of the market rents and would be similar to those charged by the Registered Providers (RPs) operating in Durham. Any development supported by Homes England Grant would be supported by a 'Framework Delivery Agreement' which would specify that the properties can be let at affordable rents. This is in accordance with the National Rent Standard published by Homes England.
- 67 The current approved budget has £500,000 allocated for housing and subject to the detailed budget exercise next year a further £500,000 is planned. There will be significant revenue costs to procure the capacity and expertise to successfully deliver a new homes programme and to co-ordinate ingoing housing management arrangements. It is suggested d that this allocation be used to fund these costs.

Land Availability

- 68 The financial modelling has assumed that DCC land at nil cost can be appropriated to support the new build programme. Without free land the additional capital contribution of £25,000 per property identified above would need to increase by the land cost.
- 69 Working with CPAL, a number of potential sites have been identified. These sites have been selected in line with established and identified need across the county. The sites have previously been assessed within the SHMA work and therefore in principle are suitable for residential development.
- 70 17 sites have been identified which have the potential for the development of up to 500 homes in locations of high demand and need. Some of these sites could be delivered over a phased approach up to 2025/2026 and can accommodate the build programme proposed. Some analysis has taken place on the sites which have been identified, however if Members were minded to progress the programme, full viability and feasibility on each site would be required.
- 71 As noted in the financial section of the report the land would need to be appropriated to the new HRA at nil cost. This would also impact on the planned capital receipts from asset sales that have been agreed by the Council. Of the 17 identified sites, XX are in the current asset disposal programme and represent a indicative estimated value of £3.16 million. This sum would not be realised in terms of a capital receipt to the Council.

Development Capacity and Expertise

- 72 Project managing a housing development programme requires a range of professional skills to work together to enable schemes to be delivered on time and to budget. Co-ordination and planning across the various professional disciplines, together with a sound knowledge of the governance arrangements of Homes England are essential.
- 73 This work will involve site investigations, scheme design, planning, Homes England relationship, construction procurement, project management to scheme handover.
- 74 Partner RP organisations all have well established capacity and expertise internally to undertake this work. In addition, Chapter homes has its own framework to support the delivery of housing schemes.
- 75 At this stage it is important to ensure that risks around the development process are effectively mitigated and it is therefore suggested that

discussions are entered into with small number of partners to establish the procurement options available.

- 76 The costs of the development process are included in the financial modelling.
- 77 Subject to the recommendations being approved a more detailed report will be presented to Cabinet to agree the general overall programme phasing and the specific schemes to be developed in 2021 – 2023. The report will also consider the procurement arrangements for both development expertise and construction contractors.

Housing management and maintenance

- 78 The Council previously had huge economies of scale in managing and maintaining its stock of 18,500 dwellings. A surplus of some £25 million was generated each year across the whole of the stock, which was recycled into the capital programme. The housing management capacity and expertise was also transferred to the new Housing Association.
- 79 The economies of scale have been lost and the infrastructure associated with supporting dwelling management and maintenance would need to be provided. In the early years of operation, it would not be sustainable to provide direct housing management services as the income from the low numbers of homes for rent would not be sufficient to support that approach. An allowance has been built into the modelling for housing management and maintenance services.
- 80 In the early years therefore, it is suggested that these services be provided under contract an existing partner RSL. The Council would specify the details of the management and maintenance service required including:
 - (a) all housing management policies including allocations, debt collection, tenant consultation, tenancy management, repairs and maintenance, complaints, tenant access arrangements, etc;
 - (b) professional support services to facilitate the housing management policies.
- 81 The contract would identify the specific circumstances that would require formal sign off by DCC. Such circumstances would include decisions relating to possession proceedings for serious breaches of tenancy agreement.

The Housing Revenue Account

- 82 It is a legal requirement that the Council establishes a HRA when it has 200 residential properties in its ownership. Should the recommendations be agreed, then this will be required.
- 83 At present the Council owns 17 residential properties.
- 84 In order to prepare for this, discussions will be entered into with MHCLG to advise of the Council's intent to start a new build affordable housing programme and the intention to set up the HRA. In addition, it is important to ensure that the Government will not seek to resurrect the historical HRA debt of £130 million that was written off in 2015 at stock transfer.
- 85 The Council will therefore need to write formally to the Secretary of State to seek confirmation that this is the case as a new HRA would simply not be viable with historic debt to serve. It is anticipated that this confirmation will be forthcoming.

The Right to Buy

- 86 New homes for rent will be let under Secure Tenancies. As such it must be assumed that they will be subject to the Right to Buy with tenant discounts (between 35% and 70% of valuation depending on length of tenancy) in line with legislation.
- 87 The RTB scheme has a cost floor rule that reduces the tenant discount to zero in the event that the cost floor (ie the cost of building the property) is higher than the RTB value with discount. These cost floor provisions apply for 15 years in the case of new homes being built by the Council. As such the cost floor rules will effectively prevent purchases with any discount for 15 years and after that period RTB purchases with discounts would apply.
- 88 Reduction in property numbers as a result of the RTB would impact on the rental income to the HRA. After 15 years there will still be loans outstanding which need to be serviced. This risk is mitigated by:
 - (a) a high percentage of the build programme will be bungalows which historically do not attract the same number of RTB sales;
 - (b) consideration will be given to introducing some specific design features which may help to remove certain properties from the RTB;

- (c) after 15 years a significant part of the original debt will have been repaid and the capital receipt received can be used to repay the outstanding debt.

Equalities Implications

89 An Equality Impact Assessment will be produced as part of any feasibility work in association with the project.

Background papers

- None.

Other useful documents

- None.

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Appendix 1: Implications

Legal Implications

The Council remains a Registered Provider of Social Housing and has all the necessary powers to fulfil the recommendations. The Council will be required to re-establish its Housing Revenue Account at the point it has an interest in 200 properties. Tenancies granted by the Council will be secure and tenants will, in almost all cases, benefit from the Right to Buy.

Finance

Capital financing will be required and will vary according to the number of homes which is selected to deliver. Reopening of the HRA implications.

Consultation

None.

Equality and Diversity / Public Sector Equality Duty

None.

Human Rights

None.

Crime and Disorder

None.

Staffing

Staffing of the delivery vehicles and associated on going work.

Accommodation

None.

Risk

None.

Procurement

Specialist consultants will need to be appointed in order to carry out the required feasibility work.

Appendix 2: Figures Breakdown

See attached.