



## OFFICER DECISION RECORD

This form should be used to record Executive decisions taken by Officers

<b>Type of Decision:</b>	<b>Urgent Operational Decision</b>		
<b>Decision Maker:</b>	Graham Farrant, Chief Executive and Head of Paid Service		
<b>Service Area:</b>	Operations	<b>Date:</b>	24 June 2024
<b>Contact Name:</b>	Jon Thornton	<b>Tel No:</b>	
<b>E-mail:</b>	jonathan.thornton@bcpcouncil.gov.uk		
<b>Subject:</b>	Council Newbuild Housing & Acquisition Strategy (CNHAS) 2023-2028. Reallocations of funds and Individual Site Approvals		
<b>Decision taken:</b>			
<ol style="list-style-type: none"> <li>1. Approve the transfer of the existing Council New Homes Acquisitions Strategy (CNHAS) Private Rental Scheme (PRS) budget of £36.3m including delegated powers to the temporary accommodation budget (still within Programme 4a of CNHAS) to provide additional affordable homes;</li> <li>2. Approve the Local Authority Housing Fund (LAHF) Round 1, 2 and 3 funding with the relevant grant funding agreements (Annexe 1, 2 and 6);</li> <li>3. Approve of the Surrey Road Development as per Annexe 3. (specifically, the recommendations of that report);</li> <li>4. Approve of the Crescent Road Development as per Annexe 4. (specifically, the recommendations of that report); and</li> <li>5. Approve of the Darracott Road Development as per Annexe 5. (specifically, the recommendations of that report)</li> </ol>			
<b>Options considered:</b>			
<ol style="list-style-type: none"> <li>1. Option 1 Do nothing – this would include continuing to keep the PRS programme on hold and not transfer the approved budget to the Temporary Accommodation programme. The funding is capital funding from borrowing, based on repayment from additional rental income. Without the transfer of funding from the PRS Programme, it is unlikely that we can continue the Temporary Accommodation programme beyond the current financial</li> </ol>			

year. This would include the requirement to reject future grant funding from Homes England and DLUHC to support additional homes in the Temporary Accommodation programme (CNHAS Programme 4a).

2. Option 2 Transfer funding allocation from the PRS programme to the Temporary Accommodation Programme to allow the continuation of acquiring properties with support from Homes England and DLUHC grants and reduce impact on the Council's revenue budget by increasing available housing and reducing reliance on Bed and Breakfast provision. This is the preferred option.

### **Reasons for the decision:**

Cabinet at its meeting on the 22 May 2024 unanimously agreed that the above decision be agreed and forwarded to the next Council meeting scheduled for 4 June for approval.

Following the calling of the general election and the decision taken on the 28 May to cancel the Council meeting scheduled for the 4 June 2024 in line with published guidance relating to the pre election period it was requested that an officer decision be taken in relation to this item in lieu of the council meeting on the 4 June 2024.

Officers indicated that this decision could not wait until the next scheduled meeting of the council on the 23 July for the following reasons:-

- Approval is urgently required to allow the continuation of the acquisition programme; to reduce reliance on Bed and Breakfast use (and revenue spend by the Council) as well as scheme approvals at Crescent Road, Darracott Road and Surrey Road for associated Temporary accommodation programmes and allow approvals to lead to building works commencement of new homes.

### **Background:**

£7.555 million of grant has been allocated to BCP from the Department for Levelling Up, Housing and Communities (DLUHC) to obtain accommodation for families with housing needs who have arrived in the UK via Ukrainian and Afghan resettlement and relocation schemes. This is within the Local Authority Housing Fund (LAHF) Funding Round 1 to 3, and part of the CNHAS Temporary Accommodation programme.

To enable the increase of Temporary Accommodation within the CNHAS programme, additional capital is required. It is proposed to move budget with this CNHAS programme from the provision of Private rent homes (PRS) to temporary accommodation. This will reduce the reliance on Bed and Breakfast requirement within BCP. In turn this will reduce the growing financial revenue pressure. The 3 housing development schemes included within this report are also for provision of additional homes within the Temporary Accommodation programme.

**Consultations undertaken:****Consultation:**

- In making this decision the Chief Executive and Head of Paid Service has consulted with Council's Monitoring Officer and s151 Officer
- The Leader of the Council has been consulted

**Finance and Resourcing Implications:**

- In the September 2022 CNHAS update report presented to Cabinet approval was given to increase the available budget from £47.9m to £68.8m.
- As part of the £68.8m budget £44.6m was identified for the Private Rental Scheme purchases. £8.3m has already been utilised and the recommendation is to transfer the remaining £36.3m to the Temporary Accommodation Programme (which includes LAHF).
- This recommendation does not alter the overall level of investment or risk in housing acquisitions but simply resets the type of accommodation now being acquired.
- Individual purchases will continue to be approved via an Officer Decision Record (ODR). This delegated authority and associated conditions were agreed in the 7 September 2022 Cabinet Meeting. The Finance Team will vet each ODR to ensure the financial robustness of individual purchases.
- As part of the financial vetting the team will ensure the purchases are made within the above budget detailed above and previously agreed at the 7 September 2022 Cabinet meeting.
- All approved acquisitions will be self-funded. Consequently, all financial obligations (including operational and cost of borrowing repayments) will be met by either rental income, cost avoidance relating to the current temporary accommodation revenue budgets or a combination of both and therefore will not be placing a further burden on the council's MTFP.

**Name: Adam Richens****Date: 24 June 2024****Signature (of Chief Finance Officer):****Legal Implications:**

- The Council have statutory duties relating to the provision of assistance in cases of homelessness as set out in Part VII of the Housing Act 1996 and to reducing and preventing homelessness as imposed by the Homelessness Reduction Act 2017. These duties encompass the provision of temporary accommodation.
- The service unit must adhere to the terms of the memoranda of Understanding that have been entered into for the LAHF grant funding especially as to the use of grant monies.
- Legal advice must be sought on the terms of any further legal agreements that it is intended to enter in respect of this project.
- The specific legal Implications of the three associated projects are set out in the relevant reports.

**Sign-off by Monitoring Officer**Name: **Janie Berry**Date: **24 June 2024**

Signature (of Monitoring Officer):

**Risk Assessment:**

Overall Project Risk Rating		
Key Project Risks	Gross Risk Rating	Mitigating Actions
Rising construction costs render the projects unaffordable	Medium/high	<p>Build costs on projects are based on either.</p> <ul style="list-style-type: none"> <li>A) Estimates based on data sets.</li> <li>B) recent tender values</li> <li>C) contract values.</li> </ul> <p>Good feasibility &amp; project management will enable the preparation of accurate estimates prior to engaging with prospective contractors and close monitoring of progress when on site, will mitigate most issues that may arise and be dealt with promptly. Contingencies help for the project unforeseen aspects, but the risk remains medium too high for primary reasons:</p> <ol style="list-style-type: none"> <li>1. because of many projects being regeneration in nature with existing buildings so there are unknowns</li> <li>2. The current volatility in the marketplace means inflation is causing difficulties in predicting costs. Even when In contract with builders whose supply chains 'struggle' if the duration of the contract is over 6months – 2 quarters.</li> </ol>
Fall in housing need for accommodation tenure provided caused by changes to the housing market or economy	Low	Monitor through construction period the requirement for Social and affordable rent with Strategic Housing Options team. If required, the Housing Delivery Team can appraise and suggest changes to tenure to suit need and financial viability as required.
Increase in housing need for accommodation	Low	Monitor through construction period the requirement for Social and affordable rent with Strategic Housing Options team. If required, the

tenure provided caused by the changes to the housing market or economy		Housing Delivery Team can appraise and suggest changes to tenure to suit need and financial viability as required.
Insufficient funding available,	Low	Monitor and review spend of such funding on other schemes within the development programme. Should insufficient funding be available, schemes will be prioritised and potentially some schemes put on hold until sufficient funding is available. Alternative tenures could attract different funding, which could be used to ensure the scheme is brought forward.
Increased fire risk during construction phase	Low	Design and construction will be closely monitored by Housing Development Team, Employers Agent and the Construction Team & in House specialists for Health & Safety.

**Impact Assessments:**

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**Information for publication / not for publication**

- It is in the public's interest for this decision to be published.

**Background Papers**

- CNHAS report Sept 2021
- 2021 CNHAS strategy
- Council Newbuild Housing and Acquisition Strategy (CNHAS)- One year update, including Homes England 5 Year Framework 2021-26 Approval
- CHNAS\CHNAS Update Cabinet Dec 23

Any declaration of interest by the Officer responsible for the decision	Nature of Interest
No	

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**Note:** No Officer having an personal financial interest in any matter should take a decision on that matter. Other interests of a non-disqualifying matter should be recorded here.

Any conflict of interest declared by a Cabinet Member who is consulted by the Officer taking the decision	Name of Cabinet Member	Nature of interest	Details of any dispensation granted by the Monitoring Officer
No			

**Decision taken by: (print name and designation)**

**Graham Farrant – Chief Executive**

**Signature:** 

**Date of Decision: 24 June 2024**

**Date Decision Effective: 24 June 2024**

**Date of Publication of record of Major Operational decision: As shown on web site**

**Note: A record of this decision should be kept by the Service Area within which the decision falls.**