

# **MINUTES OF THE MEETING OF THE CABINET MEMBER SIGNING HELD ON THURSDAY, 5TH OCTOBER, 2017, 11:00**

## **PRESENT:**

**Councillor Alan Strickland, Cabinet Member for Housing Regeneration and Planning.**

### **139. FILMING AT MEETINGS**

The Cabinet Member referred those present to agenda Item 1 as shown on the agenda in respect of filming at this meeting and asked that those present reviewed and noted the information contained therein.

### **140. URGENT BUSINESS**

There were no items of urgent business.

### **141. DECLARATIONS OF INTEREST**

No Declarations of Interest were received.

### **142. ALLOCATION OF RIGHT TO BUY RECEIPTS OVER £500,000 TO IDENTIFIED DEVELOPMENT PROJECTS TO PART- FUND DELIVERY OF AFFORDABLE RENTED HOUSING**

The Cabinet Member noted the report which sought Cabinet Member approval to allocate Right to Buy receipts to part fund the provision of new affordable housing units, available for rent.

## **RESOLVED**

The Cabinet Member is recommended to approve:

That the Cabinet Member approves the allocation of RTB receipts as grant funding to the projects designated in the Table at paragraph 6.5 of the report up to the funding amounts detailed in Part B of the report (exempt).

That agreement of the final amount of grant allocated to each project be delegated to the Director of Regeneration, Planning and Development after consultation with the S151 Officer, provided that the amount of funding allocated to each project does not exceed the figure indicated for that project within Part B of the report (exempt).

## **Reasons for decision**

Haringey has an acute shortage of housing supply, particularly in respect of affordable housing. The borough has engaged with RPs and identified a development pipeline of sites where input of RTB receipts to grant fund up to 30% of scheme costs would help address the shortage by enabling a higher proportion of rented homes to be developed than may otherwise have been the case.

The Housing Revenue Account budget was under pressure due to the 2016-20 1% per year rent reduction and the potential High-Value Voids Levy to fund the Right to Buy extension for housing associations. The grant allocations recommended in this report related to Registered Providers who have the development capacity and expertise to efficiently deliver housing and the financial capacity to provide the necessary 70% match-funding.

The Council expected the dwellings on these sites to be delivered within a reasonable timescale. All recipients of RTB grant funding will enter into a RTB funding agreement with the Council prior to receipt of funds. The funding agreement will require reimbursement of the RTB grant should there be an unreasonable delay due to the Registered Provider not progressing development proposals in a timely manner.

The Council had sufficient retained RTB receipts to part- fund these development projects. RTB receipts that were retained by the Council and not used within 3 years to provide replacement affordable rented dwellings would be returned to DCLG with interest at 4% above the Base Rate.

The authority to allocate RTB receipts for projects where the proposed grant level is £500,000 or above exceeds delegated authority limits and required Cabinet Member approval.

### **Alternative options considered**

To return net RTB Receipts to DCLG

The Council was accumulating significant sums in RTB receipts and was allowed to re-invest this income to provide new rented affordable housing. Were the proposed receipts to be returned to DCLG rather than allocated to development projects, the supply of rented homes delivered and nominations to the Council would reduce given the adverse effect on financial viability resulting from the absence of this subsidy. In addition, retained receipts were to be spent within 3 years otherwise they have to be returned to DCLG with a penalty interest rate of 4% above Base Rate applicable.

Alternatively, the Council could spend all the money on new council homes. However, due to Government borrowing restrictions, the council would also need to make significant reductions in the Housing Revenue Account (HRA) Capital Programme with a consequent deterioration in the standard of the existing housing stock.

The Council could also decide to restrict grant funding only to conversion of existing properties.

**143. EXCLUSION OF THE PRESS AND PUBLIC**

**RESOLVED**

That the press and public be excluded from the remainder of the meeting as the information is classified as exempt under Paragraph 3, Part 1 of Schedule 12A of the Local Government Act 1972.

**144. ALLOCATION OF RIGHT TO BUY RECEIPTS OVER £500,000 TO IDENTIFIED DEVELOPMENT PROJECTS TO PART- FUND DELIVERY OF AFFORDABLE RENTED HOUSING**

The Cabinet Member noted the exempt section of the report.

CHAIR:

Signed by Chair .....

Date .....