
REPORT FOR: CABINET

Date of Meeting:	19 November 2015
Subject:	HRA Purchase Programme: Purchase of properties over £250,000
Key Decision:	Yes
Responsible Officer:	Lynne Pennington, Divisional Director of Housing
Portfolio Holder:	Councillor Glen Hearnden, Portfolio Holder for Housing
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	None

Section 1 – Summary and Recommendations

This report requests delegated authority to enable the purchase of properties on the open market at values up to and in excess of £250,000 to be held within the HRA.

Recommendations:

Cabinet is requested to:

1. Delegate to the Director of Housing following consultation with the Housing Portfolio Holder authority to purchase properties on the open market at values up to and in excess of £250,000, subject to the total

value of such purchases being contained within the existing approved budget for the HRA purchase programme already approved by Council on 26 February 2015.

Reason: To streamline the process for the purchase of properties under the approved HRA purchase programme.

Section 2 – Report

Introductory paragraph

Council approved the allocation of HRA capital budget for the purchase of 20 private properties to be let as permanent affordable rented housing in February 2015. The first properties have been purchased and specific authority was required for each individual purchase via a Portfolio Holder report as the Portfolio holder for Business, Planning and Regeneration has the power to approve purchases of up to £250,000.

There are further property purchases in the pipeline which, being larger properties, will exceed the value of £250,000. At the present time Cabinet authority is required for each purchase over £250,000, there currently being no delegations in place.

In order to avoid the necessity of seeking individual Cabinet authority for each purchase over £250,000, which adds an unnecessary administrative hurdle to the purchase process, delegated authority is now requested.

The total value of purchases via this delegated approval would be subject to the overall capital budget already approved by Council in February 2015.

3. Options considered

The only other option for the purchase of properties over £250k is a case by case Cabinet report. This has been rejected as it would be an unnecessary administrative burden for the scheme.

Staffing/workforce

There are no staffing or workforce issues associated with this proposal.

Performance Issues

The HRA Purchase Programme approved by Cabinet will provide additional affordable rented housing, including family homes to meet priority housing needs. This is one of a number of initiatives to assist with the increasing demand for affordable housing in the borough as evidenced in the significant increase in the number of families currently housed in temporary Bed and Breakfast accommodation.

Environmental Implications

This proposal will have a positive impact and contribute to the Council's Climate Change Strategy and Delivering Warmer Homes strategy as we will improve homes after purchase where necessary to ensure they meet Decent Homes standards.

Risk Management Implications

Risk included on Directorate risk register? No

Separate risk register in place? Yes

A risk register is in place for the HRA Purchase Programme. The delegated authority sought will ensure the acquisition process is not subject to unnecessary administrative hurdles which might impact on the council's ability to acquire properties against other buyers in the market.

Legal Implications

The Council has power under s.17 of the Housing Act 1985 to acquire properties for the purposes of providing housing accommodation and a general power under s.120 of the Local Government Act 1972 to acquire properties.

S.12 of the Local Government Act 2003 gives the Council the power to invest for any purpose relevant to its functions.

Section 9E of the Local Government Act 2000 allows delegation of the functions of the Cabinet to an officer of the Council.

Council approved an HRA capital budget of £6,232,000 for the purchase and repair of 20 properties in February 2015. The Portfolio Holder (PH) for Business, Planning and Regeneration has a delegated power to authorise the acquisition or disposal of land up to the value of £250k. Properties have been purchased up to £250k relying on this Portfolio Holder power. However, Cabinet approval is required for the purchase or disposal of land over £250k. There are a number of property purchases in the pipeline where the value is in excess of £250k and it would be inefficient to seek Cabinet approval for each specific purchase and therefore delegated authority is requested. This is in line with a similar delegated authority already in place with regard to the acquisition of properties under the Property Purchase Initiative approved by Cabinet in July 2015.

Financial Implications

There are no financial implications arising from the delegated authority sought provided the purchase costs are within the approved HRA capital budget of £6,232,000.

Equalities implications / Public Sector Equality Duty

There are no equalities implications arising from this report.

Council Priorities

The Council's vision:

Working Together to Make a Difference for Harrow

The HRA Purchase Programme positively supports the Council's vision for Harrow and the Council's priorities in the following ways:

- Making a difference for the vulnerable: providing additional affordable homes for rent for those who are most in need.
- Making a difference for families: providing additional affordable homes for rent including family housing which is in extremely short supply.

Section 3 - Statutory Officer Clearance

Name: Dave Roberts	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 19 October 2015		
Name: Charles Ward	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 9 October 2015		

Ward Councillors notified:	No
EqIA carried out:	NO An EqIA is not required for this report. The HRA Property Purchase programme fulfils a key objective of the Housing Strategy to increase the supply of affordable housing in the borough which was

approved following completion of a rigorous and robust EQIA process.

Section 4 - Contact Details and Background Papers

Contact: Alison Pegg, Head of Housing Regeneration, 020 8424 1933, alison.pegg@harrow.gov.uk

Background Papers: Cabinet report 19 February 2015: Housing Revenue Account Budget 2015-16 and Medium Term Financial Strategy 2016-17 to 2018-19

<http://modern.gov:8080/documents/g62360/Public%20reports%20pack%20Thursday%2019-Feb-2015%2018.30%20Cabinet.pdf?T=10>
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Call-In Waived by the Chairman of Overview and Scrutiny Committee

NOT APPLICABLE

[Call-in applies]