

CABINET

4 JULY 2012

DRAFT TERMS OF REFERENCE FOR CABINET (HOUSING DELIVERY)
COMMITTEE

REPORT OF HEAD OF NEW HOMES DELIVERY

Contact Officer: Andrew Palmer Tel No: 01962 848152

RECENT REFERENCES:

CAB2347 – Appointments to Cabinet Committees and Informal Policy Groups
2012/13, Update Report – 13 June 2012

PER208 – Proposed New Homes Delivery Team – 28 March 2012

CL76 – Strategic Approach to Council House Building – 18 April 2012

EXECUTIVE SUMMARY:

The report sets out the proposed Terms of Reference for the Cabinet (Housing
Delivery) Committee.

RECOMMENDATIONS:

That the draft Terms of Reference as set out in Appendix 1 are approved.

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REPORT OF HEAD OF NEW HOMES DELIVERY

DETAIL:

1 Introduction

1.1 As a result of the financial freedoms granted by housing finance reforms the Council has decided to establish a programme for the provision of new council housing. Cabinet has agreed that financial resources within the Housing Revenue Account (HRA) which are not required to maintain existing stock (as determined by the HRA Business Plan) should be used to support that programme.

1.2 The HRA Business Plan includes an assumption for £48M of investment in new housing over the next 10 years. The capital programme relating to the 3 years from 2012/13 to 2014/15, approved by the Council in February includes:

- £9.6m for new build/ stock adaptation;
- £1.2m for Affordable Housing / regeneration; and
- £1.5m for Affordable Housing funded by Developers' contributions.

These are all subject to the assumed levels of relevant capital receipts and revenues being available prior to commitment. .

1.3 Council report CL76, Strategic Approach to Council House Building – 18 April 2012, sets out a series of development principles.

- that the Council's approach to the delivery of new homes be guided by the Winchester District Housing Strategy
- the viability of all new build council houses will be measured against the assumptions in the HRA Business Plan
- that the priority afforded to different development options as follows:
 - new-build on Council owned land
 - acquiring existing Council properties where that facilitates a wider re-development opportunity
 - open market purchases to facilitate a wider re-development opportunity

- purchase of land for development
- procure delivery of affordable homes in partnership with a market housebuilder or Registered Provider
- a Development Programme, identifying a three-year rolling programme of development opportunities to be investigated and brought forward be agreed annually
- that a Development Protocol be prepared outlining the approach to be taken to bringing forward sites for decision, including key stages of the process to be followed and stages at which formal authority is required That protocol should be approved by Cabinet
- that the lead Member body within the Council for overseeing the Development Programme for new homes delivery should be a formal Committee directly accountable to Cabinet.
- that Cabinet agree a framework for design principles to be adopted across all new-build council schemes
- Cabinet should agree a model Community Lettings Plan which will be adopted across all new-build council schemes.

2 Responsibility for New Homes Delivery

- 2.1 At its meeting of the 13 June 2012, Cabinet agreed to the appointment of a Cabinet (Housing Delivery) Committee with membership as follows:

Portfolio Holder for New Homes Delivery (Chairman)) and Councillors Coates and Weston (Councillor Stallard – deputy)

In addition, the following standing list of Councillors were invited to attend and offer views at meetings of the Committee:

- (a) Councillors Scott, Izard and J Berry
- (b) One TACT representative (name to be advised)

- 3 The draft Terms of Reference for the Cabinet (Housing Delivery) Committee are set out in Appendix 1. It should be noted that the draft Terms of Reference indicate that the Committee will oversee the whole affordable homes programme including those of the Council's Registered Provider (RP) partners. The Committee will then be able to take a view on the comprehensive supply of new affordable homes and be able to make appropriate decisions of the investment into Council owned provision of new homes.

OTHER CONSIDERATIONS:

4 SUSTAINABLE COMMUNITY STRATEGY AND CORPORATE BUSINESS PLAN (RELEVANCE TO):

- 4.1 Developing new homes is a key priority for the Council as it seeks to promote active communities. It also facilitates the Districts economic prosperity.

5 RESOURCE IMPLICATIONS:

- 5.1 The costs of new homes delivery have been explored in previous reports.
- 5.2 The Financial Procedure Rules para 6.4 stipulate that the inclusion of a scheme in the capital programme does not constitute authority to incur expenditure until a full project report has been submitted by the appropriate Head of Division in consultation with the Head of Finance and the scheme approved by the Cabinet. The proposed terms of reference delegate the decision to the new Committee for schemes not exceeding £2m. In the case of all proposed schemes costing in excess of £100,000 a full financial appraisal shall be included in the project report or otherwise where the Head of Finance considers it appropriate.

6 RISK MANAGEMENT ISSUES

- 6.1 The Council wishes to develop and deliver an ambitious programme for the building of new council houses. The risks to the delivery of this programme lie in delays arising from inadequate resourcing, unnecessarily time-consuming procedures and objections to specific proposals. There is also a risk that proceeding in haste without careful consideration of risk management issues will cause delays. The arrangements for establishing a dedicated Committee help manage the risks associated with the delivery of new homes.

BACKGROUND DOCUMENTS:

HRA Business Plan

APPENDICES:

Appendix 1 – Draft Terms of Reference

Draft Terms of Reference

Cabinet (Housing Delivery) Committee

The principal purpose of the Committee is to oversee the Council's affordable housing development programme and to ensure the programme achieves appropriate levels of quality and quantity of housing within the policy and budget framework approved by Council.

Referred Matters

To advise Cabinet and Council on:

1. Whether to approve or modify the policy and budget framework for the 3 year Housing Development Programme for both the Council and Registered Providers and the associated funding requirements from both the Housing Revenue Account and General Fund, which will be kept under regular review.
2. Whether to make changes to the Housing Development policy and budget framework to take account of new legislation or changes to the Housing Revenue Account Business Plan.

To advise Cabinet on:

1. The detailed list of individual schemes within the 3 year Housing Development Programme for both the Council and Registered Providers, and to keep the Programme under regular review recommending the addition or deletion of schemes.
2. Whether to approve or modify the Council's New Homes Development Strategy and Council House design requirements.
3. The rental policy for properties provided under the Housing Development Programme.
4. Any proposals in which the limitations set out below in the Delegated Matters would be exceeded.

Delegated Matters

To exercise the following executive functions in relation to the Housing Development Programme:

1. To agree and authorise any matters in relation to schemes within the 3 year Housing Development Programme which are in accordance with the policy and budget framework approved by Cabinet and/or Council, subject to such budgetary and other constraints set out below or that Cabinet and/or Council may impose.
2. To agree changes to the timetable or scheduling of works within the approved 3 year Housing Development Programme or substituting new schemes in place of schemes that will no longer come forward providing such schemes comply with the agreed Value for Money criteria for appraisals and the capital and revenue costs

can be met within approved HRA or GF budgets, and within the Council's approved Prudential Indicators.

3. Exercising the powers of Cabinet under the Financial Procedure Rules to approve a capital or revenue virement up to £100,000 subject to the requirement to give The Overview and Scrutiny Committee the opportunity to call in any virements in excess of £50,000 (Note – virement is not appropriate where there will be savings in one Fund and additional costs incurred in another Fund e.g. between the General Fund and the Housing Revenue Account. Also, any requests for a supplementary estimate on the HRA will have implications for the HRA Business Plan and these matters will therefore need to be referred to Cabinet or Council as appropriate).
4. Exercising the powers of Cabinet under the Contract Procedure Rules in relation to procurement contracts for works, goods, software or services up to a value of £2,000,000 or £200,000 per annum, whichever is the greater:
 - (i) Approval of price/quality evaluation criteria;
 - (ii) Approval of short-listing procedures, short-list selection and approved lists of contractors, including the authorisation of any departures from Contract Procedure Rules;
 - (iii) Award of Contract;
 - (iv) Approval of schemes under Financial Procedure Rule 6.4 – authority to release expenditure for capital schemes;
 - (v) Approval of final cost for capital schemes under Financial Procedure Rule 7.12.
5. To agree any land disposals at best consideration or where the undervalue does not exceed £50,000. To agree any disposals at less than best consideration where the undervalue does not exceed £250,000 provided the matter is not called-in for review by The Overview and Scrutiny Committee.
6. To review and monitor the Council's performance and use of resources in the above areas, including but not restricted to the implementation of change plans, performance against national and local performance indicators, and identification of risks and action taken to mitigate those risks.