

**EXETER CITY COUNCIL
RECORD OF DECISION TAKEN BY OFFICER IN CONSULTATION WITH PORTFOLIO
HOLDER**

Key Decision:

TITLE: RSAP Capital S106 June 2021

DECISION MADE BY: Director City Development, Housing & Supporting People

IN CONSULTATION WITH Portfolio Holder for City Development

DECISION:

As a urgent matter under the Council's Finance Regulations, to create a budget for expenditure to be incurred as part of the Government's and Council's work to address rough sleeping, in particular, as a response to the greater risk to people experiencing homelessness as a result of the pandemic.

The Council is to bid for Homes England capital funds of £1.7M with a proportionate capital contribution of £1.532M from un-ring-fenced S106 funds for affordable housing. The Council will also be bidding for a complimentary revenue grant bid from central government.

Therefore as the expenditure budget is from uncommitted S106 funds there is no impact on the council's General Fund Balance.

This decision will be reported to the next meeting of Executive and Council.

Under Standing Orders 13, 16 & 17 of the Constitution, urgent decisions can be taken which are exempt from the call-in period. However if approved, for transparency purposes, it is intended to publish the decision and exercise the 5 day call-in period as a matter of due process.

REASON FOR DECISION

The decision is being requested for approval as an urgent matter due to tight bid deadline which has meant it not practicable to fit within the scheduled committee meeting cycles or convene a meeting of the Full Council to approve new budget expenditure. The bid submission date is 1st July and details of the decision will be reported to the next Executive.

Officers appreciate that this is a second request for an urgent decision of this nature (following one made in December 2020). This is unfortunately due to the limited bid timeframe and the requirement to co-produce the bid with multiple partners (RSLs, MHCLG and Homes England) in order to clarify qualifying criteria and the extent of capital and revenue funds realistically available. Working with limited resources, officers have been diligent to ensure thorough planning and consultation with the relevant council departments in order to clarify full costs of the scheme and mitigate key risks and liabilities. Officers do not expect to make any further request for an urgent decision in relation to this or similar schemes in the future.

Details:

To enable the Council to utilize a total of £1,532,200 of uncommitted S106 funds (currently uncommitted s106 funds = £2.3M). This is to purchase twenty 1-bedroomed properties from the open market as part of a proposed capital contribution towards the Rough Sleeping Accommodation Programme (RSAP) 2021-24.

£1,532,200 represents a capital contribution of 47% to the overall costs of purchasing and preparing 20 x 1-bed units from the open housing market. The other 53% (£1,727,800) is the amount of grant to be requested from the RSAP capital fund managed by Homes England.

Of the sum of £1,532,200 it is proposed that a sum of up to £500,000 is provided as borrowing to be paid back through the capitalization of net rent income from the purchased properties. Payback would be set over a period of up to 30 years to start from 2023 once properties are purchased and tenanted.

Therefore the net “grant” commitment from s106 would be £1,032,200; the remaining £500,000 being borrowed from the fund for repayment over a 30 year period.

Other relevant information:

The purchase of property for relief of homelessness fits the remit of S106 affordable homes receipts.

In the earlier iteration of RSAP (“NSAP” – Next Steps Accommodation Programme) a previous Delegated Decision was made in December 2020, where a total spend of £1.202M of uncommitted S106 affordable housing funds was agreed to purchase 29 units for homelessness provision. Unfortunately due to property market challenges the Council was only able to utilize just over a half of that commitment (£672k) toward the purchase of 11 units. Therefore a balance of £530k was returned to the S106 account.

If this proposal is approved there will be at least £.75M million remaining in uncommitted S106 funds for the council to use in the further provision of affordable housing for bespoke need(s). This amount is set to increase as a result of planned housing developments in the city.

The properties will be used for rough sleepers and people with a history of rough sleeping and will form part of the new single homeless pathway. It will also help alleviate single homeless numbers in temporary accommodation. Tenancies will be let under a non-secure tenancy agreement and managed by Tenancy Services. Support will be provided by a third party experienced support provider.

This investment would take our portfolio of dedicated rough sleeping accommodation to 31 units and would be a key plank in working towards our commitment of ending rough sleeping in the city by the end of 2023.

ALTERNATIVE OPTIONS CONSIDERED

The social investment capital borrowing options explored to date carry higher cost repayment rates plus additional risks such as fund transfers and lack of clarity of the source of funds.

PRINCIPAL GROUPS CONSULTED:

DOCUMENT CONSIDERED: Exeter City Council RSAP capital proposer paper
Delegated Decision forms related to the Council's

contribution of S106 funding

DECLARED CONFLICTS OF INTEREST: None

DISPENSATIONS GRANTED: N/A

In the case where a key decision has been taken under delegated powers, the attention of Members is drawn to the Scrutiny Procedure Rules within the Constitution, and in particular section 15 entitled Call in.

Decision Number	Date of Decision Made
	19 July 2021