

## EXETER CITY COUNCIL

EXECUTIVE  
8 DECEMBER 2009

### COUNCIL HOUSE BUILDING PROGRAMME 2009-11 – DELEGATED AUTHORITY

#### 1. PURPOSE OF REPORT

- 1.1 To seek Member's approval for agreeing a level of delegated authority to enable the Council to enter into agreements and contracts to ensure the new properties are delivered on time.

#### 2. BACKGROUND

- 2.1 Executive agreed on the 15 September 2009 a policy of "building new Council properties where Government funding exists to enable such a programme provided the schemes are financially viable and can be delivered within the timescales stated". As a result officers, in consultation with the Portfolio Holder for Housing and Community Engagement, have continued to develop new schemes and make bids for grant to the Homes and Communities Agency (HCA).
- 2.2 Members will be aware that the two round one bids were successful, leading to a total grant allocation of £1,545,000 to build 21 new units. Total scheme development costs are £2,711,000.
- 2.3 Five new bids were submitted under round two of the Government scheme seeking some £5,082,747 of grant to build a further 75 units over 5 sites. Total scheme development costs are £11 019,994.
- 2.4 Therefore, should all these bids be successful it would result in the Council receiving a total grant from the HCA of £6,627,747. Total scheme development costs would be £13,731,407. To finance the shortfall the schemes would also be funded by a capital grant of £1,022,500 from the Council's Affordable Housing Budget (i.e. an average of £10,651 per unit) and £6,081,160 in borrowing, financed by the future rental income from the new properties.
- 2.5 As each site progresses officers will continue to work with our external architects and consultants and seek planning permission. Planning permission has already been granted for the round one sites at Merlin Crescent and Sivell Place. We are also working on the tender process for the building contractors and are currently in negotiation with the Homes and Communities Agency on their Grant Agreement.

#### 3. DELEGATED AUTHORITY

- 3.1 In order to progress these sites, to achieve the start on site dates we have specified in the bid process and to ensure we are able to draw down the first tranche of HCA grant, it will be necessary for the Executive to authorise officers to enter into the range of agreements and contracts that will be required to be signed.
- 3.2 This report seeks to establish a general form of delegation to the Head of Housing Services in consultation with the Portfolio Holder for Housing and Community Engagement, the Head of Contracts and Direct Services and the Head of Treasury Services for the award of the contracts relating to the Council own-build policy and to the

Head of Housing Services in consultation with the Portfolio Holder for Housing and Community Engagement and the Head of Legal Services for the Grant Agreement with the Homes and Communities Agency.

## **6. RECOMMENDED**

That Executive agrees:

- 1) to delegate authority to the Head of Housing Services in consultation with the Portfolio Holder for Housing and Community Engagement, the Head of Contracts and Direct Services and the Head of Treasury Services for the award of the building contracts relating to the Council's own build policy in accordance with the scheme details set out in this report ;and
- 2) to delegate authority to the Head of Housing Services in consultation with the Portfolio Holder for Housing and Community Engagement and the Head of Legal Services for entering into the Grant Agreement with the Homes and Communities Agency.
- 3) To allocate a total of £1,022,500 capital grant to these schemes from the Council's Affordable Housing Budget and to borrow a sum of £6,081,160, financed by the future rental income from these properties.

DIRECTOR OF COMMUNITY AND ENVIRONMENT  
1209EXEC1

COMMUNITY AND ENVIRONMENT DIRECTORATE

**Local Government (Access to Information) Act 1972 (as amended)**  
**Background papers used in compiling this report:-**