

Executive Report  
Ward(s) affected: all  
Report of Director of Communities  
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## **Housing Investment Programme - Acquisition of Land and Buildings for the Housing Revenue Account**

### **Executive Summary**

The Housing Revenue Account (HRA) Capital Programme and the Capital and Investment Strategy, approved by Council in February 2022, included an Approved Budget Programme of £1.8 million for 2022-23 and £1.8 million in 2024-25 for the Acquisition of Land and Buildings for the HRA. A further £3 million was also agreed for a Provisional Programme for 2022-23 and £4 million for 2024-25 which could be used subject to individual development and acquisition plans.

It proposed that the Provisional Budget is now moved to the Approved Budget as the current Approved Budget has been either committed or spent.

### **Recommendation to Executive**

That the existing Housing Revenue Account (HRA) Acquisition Provisional Budget of £7 million for 2022-23 and 2024-25 is moved to the HRA Approved Capital Programme

### Reason(s) for Recommendation:

To facilitate the delivery of social housing whilst contributing to the Councils plan to fully utilise Right To Buy receipts.

**Is the report (or part of it) exempt from publication? No**

## **1. Purpose of Report**

- 1.1 On 23 March 2021 the Council confirmed its use of HRA funding to increase the number of homes through a programme of acquisitions and land purchases. This was then reconfirmed in the HRA Budget, and as part of the Council's Capital and Investment Strategy 2022-23 to 2026-27 that was adopted by Council on the 9 February 2022.
- 1.2 This set out an Approved Budget Programme of £1.8 million for 2022-23 and £1.8 million for 2024-25 for the Acquisition of Land and Buildings for the HRA.
- 1.3 A further £3 million was also agreed for a Provisional Programme in 2022-23 and £4 million for 2024-25 which could be used subject to individual development and acquisition plans.
- 1.4 The Acquisition Project is funded through the HRA with 40% from Right to Buy receipts, with the remaining being funded either through the HRA reserves or as appropriate through HRA borrowing. The overall programme is reflected within the HRA Business Plan as adopted by the Council in February 2022.
- 1.5 Work on the programme has progressed well and as result agreement is sought to transfer the amounts identified in the Provision Programme to the Approved Programme to allow the planned programme to continue and deliver.
- 1.6 The progression of the programme will also contribute to the Council's plan to fully utilise its Right to Buy Receipts (RTB) as required by the Government, whilst also facilitating the delivery of additional social housing.

## **2. Strategic Priorities**

- 2.1 The Council's Corporate Plan includes a priority to provide affordable housing and this work contributes to this. It is also in line with the HRA Business Plan and Housing Strategy.

## **3. Background**

- 3.1 The Council, at its meeting on 9 February 2022, approved the Capital and Investment Strategy, HRA Business Plan and Housing Investment Plan which included a Programme of Acquisition of Buildings and land.
- 3.2 The plan focused on purchasing properties available from developers through s106 agreements and buying homes available in areas where the

Council already has housing stock. This scheme has operated successfully for a number of years, and opportunities continue to be available, but this is reliant upon funding being available to allow his work to continue.

- 3.3 The allocation of funding from the Proposed to the Approved budget will allow for the continued delivery of individual purchases to progress.

#### **4. Consultations**

- 4.1 The programme was included in the Consultation for the Capital and Investment Strategy and as part of the Housing Revenue Account budget which was agreed on the 9 February 2022.

#### **5. Key Risks**

- 5.1 The developed plan reflected the need for budgets to be moved from the Provisional to the Approved Budget as work progressed. Key risks of not moving the funding would be that:

- Additional acquisitions will be unable to proceed.
- Additional social housing would not be provided which would have help met the wider identified need.
- The Council's approach to ensuring that Right to Buy (RTB) receipts are fully utilised could be compromised resulting in the Council needing to repay these amounts to Government along with interest.

- 5.2 These risks will be removed if the proposed budget allocation is agreed.

#### **6. Financial Implications**

- 6.1 The proposed reassigning of the budget from Provisional capital programme to the approved programme will enable work to progress on programmes delivery as set out within the HRA Budget and the Councils agreed Capital and Investment Strategy.

- 6.2 Not progressing with the planned change in budget would place at risk to the Council's plan to fully utilise Right to Buy Receipts.

#### **7. Legal Implications**

- 7.1 The Council has power under Section 9 of the Housing Act 1985 and under s120 of the Local Government Act 1972 to acquire property for use as housing, and those acquired must then be dealt in accordance with the provisions of the legislation and any subsequent legislation.

- 7.2 Section 17 of the Housing Act 1985 allows Councils to acquire land for housing purposes and to dispose of land used for housing purposes to a person or organisation which intends to provide housing accommodation on the land or provide facilities which serve a beneficial purpose in connection with the requirements of persons for whom housing accommodation is provided.
- 7.3 Section 122 of the Local Government Act 1972 ('LGA 1972') provides the Council power to appropriate for any purpose which it is authorised by the LGA 1972 or any other enactment to acquire land by agreement any land which belongs to the Council and is no longer required for the purpose it was held immediately prior to that appropriation.
- 7.4 Section 19(1) of the Housing Act 1985 permits the Council to appropriate land. Any land can be appropriated into the HRA as long as there is a documented intention to use the land for housing purposes and all income, expenditure, reserves and borrowing in relation to the land will be accounted for within the HRA from the date of appropriation.
- 7.5 Where properties are purchased this is undertaken in association with the Councils Legal Services who undertake the appropriate legal and conveyance work, properties are also subject to an independent valuation.

## **8. Human Resource Implications**

None

## **9. Equality and Diversity Implications**

- 9.1 Using RTB receipts to deliver social housing is likely to have a positive impact on equality and diversity by enhancing the equality of opportunity in respect of housing services to those with a protected characteristic.

## **10. Climate Change/Sustainability Implications**

- 10.1 Delivery of the Council's Housing Investment Programme should have a positive impact on climate change and sustainability as housing can be built with sustainable energy efficiency design into the property. This may have a positive benefit for tenants with respect to lower energy usage and costs.

## **11. Executive Advisory Board comments**

- 11.1 The Council's Housing Revenue Budget and the Capital and Investment Strategy have been considered by the Executive Advisory Board this is not a new proposal but part of the planned delivery of the Programme which they supported.

## **12. Summary of Options**

12.1 The Executive has three options:

1. Preferred Option: Agree to the proposed move of the funding from the Provisional to the Agreed budget. This will allow for continued programme delivery.
2. Do nothing: End the current element of the programme, and potentially repay RTB receipts, plus interest, to the Government as they may not be utilised.
3. Defer a decision until the next HRA Budget is brought forward in 2023: End the current scheme and not progress schemes and opportunities currently in development and remodel the Future Programme for consideration

## **13. Conclusion**

13.1 The Provisional Budget was agreed as part of the Councils Capital and Investment Strategy and HRA Budget, what is being proposed is the progression of the funding to support the delivery of the Programme. The programme has been reflected in the approved HRA Business Plan and if agreed the proposal would facilitate the planned delivery.

13.2 It will also bring forward the delivery of social housing and facilitate the use of RTB Receipts.

## **14. Background Papers**

- Housing Revenue Account
- Capital and Investment Strategy  
<https://democracy.guildford.gov.uk/ieListDocuments.aspx?CId=159&MId=1262>

## **15. Appendices**

None