

Record of Delegated Executive Decision(s)

1. Subject of decision

Purchase of additional properties by North Tyneside Trading Company (Development) Limited for affordable housing

2. Name and Title of Decision Maker

Paul Hanson, Chief Executive

3. Details of any Conflict of Interest and any Dispensation granted in respect of such Interest

None

4. Executive summary

The purpose of this report is to seek approval for the Authority to release Section 106 funds for the purchase of the properties by North Tyneside Trading Company (Development) Limited (the Company) in order to provide affordable housing in the Borough. This action supports the ambitions within the Affordable Housing Programme and the Our North Tyneside Plan.

At its meeting on 9 March 2015, Cabinet agreed to the creation of the Company, with the aim of increasing the pace and scale of affordable homes delivery. The Cabinet report outlined the use of Section 106 monies and capital receipts up to the value of £13.7m; remaining funding were to be included in the 2015-2018 and future Investment Plans.

The Company has to date been a success and now provides 69 affordable homes for rent, with four further homes currently being purchased. In line with the original business case, it is looking to increase its portfolio to 100 homes by the end of 2022/23. As such, it is recommended that a budget envelope be created for 2022/23 to allow the Company to purchase these additional homes.

This report requests approval of funding to be provided to the Company in order for it to acquire further properties from affordable housing monies received by the Authority pursuant to Section 106 of the Town and Country Planning Act 1990 (S106), where value for money has been demonstrated.

On 18 February 2021 full Council authorised the Chief Executive in consultation with the Elected Mayor and the Director of Resources to authorise the purchase of properties, on the open market, providing value for money is demonstrated and that the cost can be contained within existing financial resources of the Authority.

5. Alternative Options considered

Decision options are to approve or not to approve the purchase of the additional homes by North Tyneside Trading Company (Development) Limited. If not approved, the Development Company would be unable to support the Authority with its programme of delivery of affordable homes in line with Cabinet's priorities.

6. Decision(s)

The Chief Executive, in consultation with the Elected Mayor and Director of Resources, agrees to:

- (a) the use of the Section 106 Town and Country Planning Act 1990 commuted sums available for the purchase of affordable homes by North Tyneside Trading Company (Development) Limited (trading as Aurora Affordable Homes);
- (b) funding of up to **£2.972m** be provided to North Tyneside Trading Company (Development) Limited, via the North Tyneside Trading Company Limited, to enable North Tyneside Trading Company (Development) Limited to acquire and refurbish properties up to a maximum of this value, subject to the S106 funds having been received by the Authority; and
- (c) funding be provided to North Tyneside Trading Company (Development) Limited in the form of equity funding from the North Tyneside Trading Company Limited, being the form of funding that is most beneficial to deliver the desired objectives of the Authority as detailed in Section 1.5 of the report (*see below)

7. Reasons for the Decision(s)

It will help to meet the objective of the Authority to assist in the delivery of 5,000 affordable homes in the borough.

8. Date Decision Made

21 January 2022

9. Is this decision subject to call-in and if so expiry date of call-in period

Yes, the call-in period will expire at 5pm on Monday 31 January 2022

10. Date of Publication

24 January 2022

11. Implementation Date (if decision not called in)

After 5pm on Monday 31 January 2022

Note: *the report (mentioned above) upon which this decision is based is not subject to publication by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended).