

## North Devon Council

Report Date: 5<sup>th</sup> June 2023

Report to: Strategy & Resources Committee

Topic: A Housing Management Company

Report by: Jeremy Mann; HoS, Planning, Housing & Health

### 1. INTRODUCTION

- 1.1. Officers have identified an exciting opportunity to establish a new vehicle so the Council can provide accommodation to meet local housing need.
- 1.2. This is an enabling report which seeks to empower the Chief Executive in collaboration with Lead Members to start setting up this new entity.

### 2. RECOMMENDATIONS

2.1. It is recommended that:

- 2.1.1. The Chief Executive is given delegated authority to progress the setting up of a wholly owned housing company, including the preparation of articles of association in consultation with the Leader and Lead Member for Housing.
- 2.1.2. Full Council delegates the approval of the appointment of a Board of Directors to the Chief Executive in consultation with the Leader and Lead Member for Housing

### 3. REASONS FOR RECOMMENDATIONS

- 3.1. To exercise the statutory power, the Council has to establish a local housing company so it can more effectively address local housing need.

### 4. REPORT

- 4.1 Members will already be aware that the Council is currently in the process of building eleven units of accommodation as part of its wider Barnstaple regeneration programme.

- 4.2 While disposal of these assets would reduce the Council's overall borrowing, it would forgo the chance to provide housing, which could be targeted to those needing accommodation who work in businesses who are experiencing workforce deficits. For example, the local hospital has a critical requirement for more medical staff to support their redevelopment/expansion plans.
- 4.3 Expert legal advice has been procured by the Council and this is set out in Appendix A.
- 4.4 The viability of the project in Barnstaple is still being worked through. There are, however, other opportunities to establish a housing portfolio, for example, through the Local Authority Housing Fund, acquisition of further properties or managing properties which the Council has imposed an Empty Dwelling Management Order.
- 4.5 To expedite the progression of this initiative, the report recommends empowering the Chief Executive to appoint a Board of Directors, and determine appropriate articles of association.

## 5. RESOURCE IMPLICATIONS

- 5.1. Projected profits and financial and investment risks will be the subject of further reports.
- 5.2. Further external expert legal assistance will be required to ensure the most suitable company set up is established and to advise on and prepare all relevant documentation to establish the company and its relationship with the Council

## 6. EQUALITIES ASSESSMENT

- 6.1. The development of any local lettings' policy will be the subject of further reports.

## 7. ENVIRONMENTAL ASSESSMENT

- 7.1. Scope 1: Greenhouse gas emissions will increase if the Council increases the number of residential properties it controls.

## 8. CORPORATE PRIORITIES

- 8.1 This paper gives the Council the chance to assist more people in housing need in a way which is entirely complementary with its existing responsibilities.

## 9. CONSTITUTIONAL CONTEXT

- 9.1 Part 3 Annexe 1 paragraph 1, Delegated Power
- 9.2 Article 4.5.7, Referred Power

## 10. STATEMENT OF CONFIDENTIALITY

This report contains exempt restricted information. Namely the appended legal advice which is information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

## 11. BACKGROUND PAPERS

The following background papers were used in the preparation of this report: (The background papers are available for inspection and kept by the author of the report).

## 12. STATEMENT OF INTERNAL ADVICE

The author (below) confirms that advice has been taken from all appropriate Councillors and Officers.

J W Mann  
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## **APPENDIX A**

### **Housing Management Company Advice Paper**