



## PORTFOLIO HOLDER DECISION NOTICE

### INDIVIDUAL DECISION BY THE PORTFOLIO HOLDER FOR HOUSING

### TOPIC - ESTABLISHING A HOUSING COMPANY - LEGAL ADVICE

### PROCEDURAL INFORMATION

The Access to Information Procedure Rules – Part 4, Section 22 of the Council's Constitution provides for a decision to be made by an individual member of Cabinet.

In accordance with the Procedure Rules, the Head of Legal and Democratic Services, the Chief Executive and the Head of Finance are consulted together with Chairman and Vice Chairman of The Overview and Scrutiny Committee and any other relevant overview and scrutiny committee. In addition, all Members are notified.

If five or more Members from those informed so request, the Leader may require the matter to be referred to Cabinet for determination.

### Contact Officers:

**Case Officer:** Richard Botham [rbotham@winchester.gov.uk](mailto:rbotham@winchester.gov.uk) 01962 848 421

**Democratic Services Officer:** Nancy Graham [ngraham@winchester.gov.uk](mailto:ngraham@winchester.gov.uk) 01962 848 235

### SUMMARY

The Council is currently investigating options for increasing the supply of new homes it is able to build. The current programme is limited by "Housing Revenue Account "debt cap" rules. Any significant extension of the programme will require a separate vehicle, such as a "wholly owned company" to administer the delivery and management housing including a range of tenures.

Officers have been working with advisers from Trowers and Hamlins LLP to investigate options and now need to commission additional advice on specific options to support the preparation of a detailed business case for Council consideration.

A quotation has been provided by Trowers for the necessary further detailed advice to support the final business case, in the sum of £20,000, and funding for this is available from the New Homes HRA revenue budget. A Direction under Contracts Procedure Rule 2.4 a) in order to accept this quotation and agree terms directly with Trowers to commission the work.

## **DECISION**

That the Assistant Director (Chief Housing Officer) be authorised to negotiate terms with Trowers and Hamblins LLP for the provision of detailed legal advice to support the preparation of the business case for establishing a Housing Company, as set out in the Decision Notice, and a Direction be made under Contracts Procedure Rule 2.4 a) accordingly.

## **REASON FOR THE DECISION AND OTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

Legal implications and risks associated with establishing wholly or partly owned companies for specific purposes are relatively complex and any business case or future recommendation needs to consider all such implications.

Trowers have supported a number of councils on similar projects. They have a good appreciation of the Council's position and have supported officers on the initial options appraisal work on this project. They are acknowledged experts in the field of local authority housing law.

Commissioning alternative advisers has been considered although this would require an element of repeating options appraisal work already completed.

The Head of Legal and Democratic Services is satisfied with the fee proposal and is supportive of the proposed decision.

## **RESOURCE IMPLICATIONS:**

As stated in the summary, the full cost of legal advice required to allow officers to bring forward a detailed business case for a range of options totals £20,000. This can be funded from the existing HRA New Homes revenue budget.

## **CONSULTATION UNDERTAKEN ON THE DECISION**

Officers continue to liaise with other councils working on similar projects and with financial advisers who are also supporting the work on this project.

## **FURTHER ALTERNATIVE OPTIONS CONSIDERED AND REJECTED FOLLOWING PUBLICATION OF THE DRAFT PORTFOLIO HOLDER DECISION NOTICE**

Consideration has been given to relying on advice and experience from other authorities who have established vehicles to support housing delivery. However, it is clear that a number of potential routes exist and approaches differ depending on specific projects and the desired outcomes. On balance, it is considered essential to seek detailed legal advice on the Council's specific circumstances and aspirations.

**DECLARATION OF INTERESTS BY THE DECISION MAKER OR A MEMBER OR OFFICER CONSULTED**

None.

**DISPENSATION GRANTED BY THE STANDARDS COMMITTEE**

n/a

**Approved by: (signature)**

**Date of Decision: 07.11.16**

**Councillor Caroline Horrill – Portfolio Holder for Housing Services**

**APPENDICES:**

None.