

Record of Delegated Executive Decision(s)

1. Subject of decision

Purchase of Affordable Housing at Wallington Close by the North Tyneside (Development) Trading Company Limited

2. Name and Title of Decision Maker

Paul Hanson, Acting Chief Executive

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

Not applicable

4. Executive summary

The purpose of this report is to agree the preferred outcome for the 2 homes built for Affordable Rent (as per the Government definition of up to 80% of the market rent) at the former Wallington Court site, now known as Wallington Close by Aurora Properties (Sale) Limited (a wholly owned subsidiary of the Authority's wholly owned Trading Company, North Tyneside Trading Company). The preferred option has been arrived at following an options appraisal considering the value for money of each option.

The site at Wallington Close is on the Marden Estate within the Cullercoats Ward. It was formally a sheltered housing scheme that was demolished as part of the North Tyneside Living PFI project and is now, following Cabinet approval of the 8 May 2017, being developed by Aurora Properties (Sale) Limited to provide 12 bungalows, for a mixture of sale on the open market and Affordable Rent in line with the Company's Business Plan and Cabinet approval.

In the Cabinet report of 8 May 2017 it was noted that the homes for Affordable Rent will be sold to either a Registered Provider, the Authority's Housing Revenue Account or to North Tyneside Trading Company (Development) Limited to remain as affordable properties in perpetuity.

Cabinet therefore, at its meeting on 8 May 2017, delegated authority to the Chief Executive in consultation with the Elected Mayor, the Head of Law and Governance and the Head of Finance to agree the preferred outcome of the homes built for Affordable Rent based on an options appraisal considering the value for money of each option.

Cabinet at its meeting on 9th March 2015 approved the use of Section 106 Town and Country Planning Act 1990 commuted sums available for affordable housing as funding for the Company and delegated authority to the Chief Executive to make available to the North Tyneside Trading Company such funding as is required to support the Company's business plan.

5. Alternative Options considered

The alternative option was for the two homes to be purchased by the Council through the Housing Revenue Account or by a Registered Provider.

6. Decision(s)

The Acting Chief Executive, in consultation with the Elected Mayor, Senior Manager, Legal Services & Information Governance and Head of Finance, has agreed to:

- (a) the 2 homes being built for Affordable Rent on the Wallington Close site being purchased by North Tyneside Trading Company (Development) Limited, on the terms outlined in the report, using S106 funding identified for affordable housing as, following an options appraisal, this route provides the best value for money;
- (b) use delegated authority to approve the use of Section 106 Town and Country Planning Act 1990 commuted sums available for affordable housing as funding for the Company, as outlined in the report;
- (c) provide funding to the North Tyneside Trading Company Limited in the form of equity funding as that is the form of funding that is most beneficial to deliver the desired objectives of the Authority.

7. Reasons for the Decision(s)

It will help to meet the objective of the Authority to assist in the delivery of 3,000 affordable homes across 10 years. It will ensure the homes remain affordable in perpetuity and therefore provide the best value for money.

8. Date Decision Made

29 October 2018

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

Yes, the call-in period expires on Monday 5 November 2018 at 5.00pm

10. Date of Publication

29 October 2018

11. Implementation Date (if decision not called in)

Monday 5 November 2018 after 5.00pm