



Derby City Council

COUNCIL CABINET
8 February 2017

Report of the Cabinet Member for Urban
Renewal

ITEM 14

Purchase of Residential Scheme to provide affordable housing funded through the HRA

SUMMARY

- 1.1 The report seeks approval to purchase two housing schemes to be funded from the Housing Revenue Account (HRA) capital programme.
- 1.2 The Council has been offered the opportunity to purchase 14 apartments on a scheme off the Burton Road and 4 bungalows on a scheme in Chaddesden.
- 1.3 These dwellings would form part of the Council's HRA affordable housing stock and would be managed by Derby Homes.

RECOMMENDATION

- 2.1 To agree the principle of acquiring the scheme off Burton Road detailed in the report funded through the HRA capital programme at the price not exceeding the formal (RICS approved) valuation.
- 2.2 To agree the principle of acquiring the scheme in Chaddesden detailed in the report funded through the HRA capital programme at the price not exceeding the formal (RICS approved) valuation.
- 2.3 To delegate authority to the Strategic Director for Communities and Place to enter into all necessary agreements required to secure the acquisition of the properties.

REASONS FOR RECOMMENDATION

- 3.1 The acquisitions will provide new affordable dwellings which will meet the needs of households on the waiting list.



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Report of the Strategic Director of Communities and Place.

SUPPORTING INFORMATION

- 4.1 The Council has been offered the opportunity of acquiring a number of dwellings that will provide additional affordable rented housing.
- 4.2 The first scheme consists of 14 x 2 bedroom apartments within a single block off Burton Road. The second scheme consists of 2 x 2 bed bungalows and 2 x 3 bedroom bungalows on an in-fill site in Chaddesden.
- 4.5 The Council has appointed a valuer to undertake a formal "Red Book" valuation of both sites which will inform our offer to the respective developers. The valuation reports have been received by the Council.

OTHER OPTIONS CONSIDERED

- 5.1 An option would be not to proceed with the purchases. However not doing so would compromise the Council's ability to meet its affordable development targets, absorb its Right to Buy receipts and provide much needed affordable housing.

This report has been approved by the following officers:

Legal officer	Olu Idowu/ Emily Feenan
Financial officer	Amanda Fletcher
Property/ Estates Officer	Ian Fullagar
Human Resources officer	David Cox
Service Director(s)	Greg Jennings
Other(s)	Ian Fullagar, Head of Strategic Housing

For more information contact:	James Beale, Housing Development Team Leader- 01332 640316
Background papers:	None
List of appendices:	Appendix 1 – Implications

IMPLICATIONS

Financial and Value for Money

- 1.1 The Council has the capacity as indicated within its latest HRA Business Plan to acquire the schemes. Applying Right to Buy (RtB) receipts at 30% of the acquisition cost, the schemes will break even on a cumulative revenue basis in years 35 and 39 respectively.

Legal

- 2.1 The Council's Legal Service will provide advice and support as required in relation to the acquisition and future management of the dwellings.

Personnel

- 3.1 None directly arising from this report.

IT Implications

- 4.1 None directly arising from this report.

Equalities Impact

- 5.1 These dwellings would be let through the Council's homefinder service and to households for whom the Council has a Homelessness duty. The bungalows will be accessible for disabled people and in particular the three bedroomed ones for disabled people with families, who find it hard to get accessible accommodation.

Health and Safety

- 6.1 None directly arising from this report.

Environmental Sustainability

- 7.1 None directly arising from this report

Property and Asset Management

- 8.1 These dwellings would form part of the Council's affordable stock, to be managed by Derby Homes

Risk Management

- 9.1 The Council will undertake due diligence through the conveyancing process.

Corporate objectives and priorities for change

10.1 A strong community