

Time started: 1:00pm
Time ended: 1:10pm

Adults, Health and Housing Cabinet Member Meeting 9 October 2019

Present: Councillor Webb

In Attendance: Karen Brierley - Principal Housing Development
Manager
Louise Brown – Housing Development and HRA Team
Leader
Lisa Spencer – Housing Development Officer

34/19 Apologies

There were no apologies for absence.

35/19 Late Items

There were no late items.

36/19 Declarations of Interest

There were no declarations of interest.

37/19 Acquisition of a Two Bedroom Empty Bungalow in Abbey Ward

The Cabinet Member received a report of the Director of City Development and Growth in relation to the purchase of a 2 bedroom empty bungalow in the Abbey ward.

It was reported that an offer of £127,000 had been accepted by the vendor and this purchase price aligned with the internal property value of £125,000 - £130,000 demonstrating value for money.

The Cabinet Member noted that the property required improvement throughout to meet the Council's lettable standard, including but not limited to:

- New kitchen
- Overhaul bathroom
- Overhaul gas central heating
- Rewire
- New front door
- Damp proofing works
- Replacement timber floors subject to further survey
- New windows
- Replacement lintels subject to further survey

- New gutters, fascias and soffits
- Removal of garage
- Slab on edge and tarmac path where garage has been removed
- Removal of car port
- Break out slabs to front and side driveway, level and tarmac
- Secure boundaries

It was also noted that these costs were not expected to exceed £53,440.

It was reported that the costs incurred in the acquisition would be funded by:

- Housing Revenue Account capital - £129,246
- Right to Buy Receipts (30%) - £55,391

It was also reported that for the purposes of the appraisal, Housing Revenue Account capital had been taken to be borrowing at a rate of 2.56% and that the acquisition would produce an operational surplus from year 27 with breakeven in year 38.

Resolved:

- 1. To approve the acquisition of the property at the negotiated purchase price of £127,000.**
- 2. To approve the subsequent refurbishment of the property by Derby Homes.**
- 3. To approve the incorporation of the property into the Council's affordable housing portfolio to be managed by Derby Homes.**

38/19 Acquisition of a Three Bedroom Housing in Chellaston

The Cabinet Member received a report of the Director of City Development and Growth in relation to the purchase of a 3 bedroom house in Chellaston.

It was reported that an offer of £205,000 had been accepted by the vendor demonstrating value for money. It was also reported that the purchase price aligned with the Council's internal property valuation of £200,000 - £205,000.

The Cabinet Member noted that the property required improvements throughout to meet the Council's standard, including but not limited to:

- Contingency for kitchen alterations
- External improvements to rear garden

It was also noted that the costs were not expected to exceed £4,992.

It was reported that the costs incurred in the acquisition would be funded by:

- Housing Revenue Account capital - £152,662

- Right to Buy Receipts (30%) - £65,427

It was also reported that for the purposes of the appraisal, Housing Revenue Account capital had been taken to be borrowing at a rate of 2.56% and that the acquisition would produce an operational surplus from year 25 with breakeven in year 37.

Resolved:

- 1. To approve the acquisition of the property at the negotiated purchase price of £205,000.**
- 2. To approve the subsequent refurbishment of the property by Derby Homes.**
- 3. To approve the incorporation of the property into the Council's affordable housing portfolio to be managed by Derby Homes.**

39/19 Acquisition of a 3 Bedroom House in Mickleover

The Cabinet Member received a report of the Director of City Development and Growth in relation to the purchase of a 3 bedroom house in Mickleover.

It was reported that an offer of £189,000 had been accepted by the vendor demonstrating value for money. It was also reported that the purchase price aligned with the Council's internal property valuation of £185,000 - £190,000.

The Cabinet Member noted that the property required improvements throughout to meet the Council's standard, including but not limited to:

- Overhaul kitchen units
- Overhaul window handles, hinges and restrictions
- Contingency for electrics
- Contingency for gas central heating

It was also noted that the costs were not expected to exceed £7,254.

It was reported that the costs incurred in the acquisition would be funded by:

- Housing Revenue Account capital - £142,486
- Right to Buy Receipts (30%) - £61,065

It was also reported that for the purposes of the appraisal, Housing Revenue Account capital had been taken to be borrowing at a rate of 2.56% and that the acquisition would produce an operational surplus from year 20 with breakeven in year 35.

Resolved:

- 1. To approve the acquisition of the property at the negotiated purchase price of £189,000.**
- 2. To approve the subsequent refurbishment of the property by Derby Homes.**
- 3. To approve the incorporation of the property into the Council's affordable housing portfolio to be managed by Derby Homes.**

40/19 Acquisition of a 3 Bedroom House in Sinfin

The Cabinet Member received a report of the Director of City Development and Growth in relation to the purchase of a 3 bedroom house in Sinfin.

It was reported that an offer of £185,000 had been accepted by the vendor demonstrating value for money. It was also reported that the purchase price aligned with the Council's internal property valuation of £183,000 - £187,000.

The Cabinet Member noted that the property required improvements throughout to meet the Council's standard, including but not limited to:

- Improvements to electrics subject to further survey
- Kitchen alterations subject to further survey
- Create patio area to level rear garden
- Remove stud partition between hallway and dining room
- Alter heating system and electrics to suit
- Create stud wall at bottom of stairs and install fire door and frame
- Upgrade fire door to kitchen
- Stud partition to create two single bedrooms

It was also noted that the costs were not expected to exceed £23,648.

It was reported that the costs incurred in the acquisition would be funded by:

- Housing Revenue Account capital - £151,022
- Right to Buy Receipts (30%) - £64,724

It was also reported that for the purposes of the appraisal, Housing Revenue Account capital had been taken to be borrowing at a rate of 2.56% and that the acquisition would produce an operational surplus from year 1 with breakeven in year 27.

Resolved:

- 1. To approve the acquisition of the property at the negotiated purchase price of £185,000.**
- 2. To approve the subsequent refurbishment of the property by Derby Homes.**

- 3. To approve the incorporation of the property into the Council's affordable housing portfolio to be managed by Derby Homes.**

MINUTES END