

Time started: 9:30am
Time ended: 9:44am

Adults, Health and Housing Cabinet Member Meeting 12 April 2019

Present: Councillor Webb

In Attendance: Karen Brierley (Principal Housing Development
Manager),
Louise Brown (Housing Development and HRA Team
Leader)

61/18 Apologies

There were no apologies for absence.

62/18 Late Items

There were no late items.

63/18 Declarations of Interest

There were no declarations of interest.

64/18 Minutes of the meeting held on 20 March 2019

The minutes of the meeting held on 20 March 2019 were agreed as a correct record.

65/18 Acquisition of a two bedroom house in Derwent Ward

This item was withdrawn

66/18 Acquisition of a three bedroom house in Mackworth Ward

The Cabinet Member received a report of the Director of City Development and Growth in relation to the purchase of a 2 bedroom semi detached house the Mackworth area of the city.

It was reported that an offer of £125,000 had been accepted by the vendor and this purchase price aligned with the internal property value of £123,000 - £128,000 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:

- Overhaul kitchen and bathroom
- New internal doors
- External works to provide new driveway, paths and boundaries

- Repairs to roof, wall plate and lintels
- Clearance of overgrown front and rear garden, seed and topsoil
- Redecoration and general repairs as required

It was also noted that these costs were not expected to exceed £56,000.

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

- Housing Revenue Account capital - £129,312
- Right to Buy Receipts (30%) - £55,420

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 £125,000.**
- 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.**

67/18 Acquisition of a three 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 3 storey townhouse the Sinfin part of the city.

It was reported that the property was being marketed for offers in the region of £169,950 and an offer of £163,000 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 £160,000 - £165,000.

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

- Secure boundaries
- Electrical and fire safety improvements
- Window repairs
- Replacement kitchen worktops
- Redecoration and general repairs as required

It was also noted that the costs were not expected to exceed £8,000.

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

- Housing Revenue Account capital - £123,898
- Right to Buy Receipts (30%) - £53,099

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 19 with breakeven in year 35.

Resolved:

- 1. To approve the acquisition of the property at the negotiated purchase price of £163,000.**
- 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.**

69/18 Acquisition of a four bedroom house in Abbey Ward

The Cabinet Member received a report of the Director of City Development and Growth in relation to the purchase of a 4 bedroom end terrace property in the Abbey Ward.

It was reported that Executors of the estate had approached the council direct to offer for the property. An offer of £135,000 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 £138,000 - £145,000.

It was also noted that the property required improvements to meet the Council's lettable standard which included but was not limited to:

- New kitchen
- New bathroom
- Replace internal and external doors
- New driveway
- Replacement guttering and all external waste pipes
- Overhaul windows
- Stud partition and alterations to create 5th bedroom
- Secure boundaries
- Redecoration and general repairs as required

It was noted that the costs would not exceed £43,000.

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

- Housing Revenue Account Capital - £127,812
- Right to Buy Receipts (30%) - £54,776

It was 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 12 with breakeven in year 32.

Resolved:

- 1. To approve the acquisition of the property at the negotiated purchase price of £135,000.**
- 2. To approve the subsequent refurbishment and conversion of the property where required by Derby Homes.**
- 3. To approve the incorporation of the property into the Council's affordable housing portfolio to be managed by Derby Homes.**

70/18 Acquisition of a four bedroom house in Sinfin

The Cabinet Member received a report of the Director for City Development and Growth in relation to the purchase of a 4 bedroom mid terraced in Sinfin.

It was reported that property owner had approached the Council to purchase the property and following an internal inspection, a valuation of £172,500 - £177,500 was given. An offer of £175,000 was submitted to the vendor and accepted therefore demonstrating value for money.

It was also noted that the property required improvement throughout to meet the Council's standards, including but not limited to:

- Electrical and fire safety improvements
- Install electric shower
- Install electric fire
- Drying posts

It was reported that the costs were not expected to exceed £4,000.

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

- Housing Revenue Account capital - £129,913
- Right to Buy Receipts £55,677

It was noted that for the purposes of the appraisal, Housing Revenue Account capital has been taken to be borrowing at a rate of 2.56% and that the acquisition would produce an operational surplus in year 17 with breakeven in year 34.

Resolved:

- 1. To approve the acquisition of the property at the negotiated purchase price of £175,000.**

- 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.**

71/18 Acquisition of a four bedroom house in Spondon

The Cabinet Member received a report of the Director for City Development and Growth in relation to the purchase of a 4 bedroomed mid terraced property in the Spondon area of the city.

It was reported that the property was being marketed for offers in excess of £155,000 and an offer of £140,000 had been accepted by the vendor demonstrating value for money. It was also reported that the purchase price aligned with the internal property valuation of £138,000-£145,000.

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

- New gas central heating
- New kitchen
- New bathroom
- Replace internal and external doors
- New driveway
- Replacement guttering and all external waste pipes
- Overhaul windows
- Board and skim utility walls and ceilings
- Secure boundaries
- Damp proofing works
- Replace path and patio
- General garden tidying as required
- Redecoration and general repairs as required

It was also noted that these costs were not expected to exceed £82,000.

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

- Housing Revenue Account capital - £158,320
- Right to Buy Receipts (30%) - £67,851

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 30 with breakeven in year 40.

Resolved:

- 1. To approve the acquisition of the property at the negotiated purchase price of £140,000.**

- 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