

Time started: 10:30am
Time ended: 10:38am

Adults, Health and Housing Cabinet Member Meeting 17 June 2019

Present: Councillor Webb

In Attendance: Karen Brierley (Principal Housing Development
Manager)

01/19 Apologies

There were no apologies for absence.

02/19 Late Items

There were no late items.

03/19 Declarations of Interest

There were no declarations of interest.

04/19 Minutes of the meeting held on 12 April 2019

The minutes of the meeting held on 12 April 2019 were agreed as a correct record.

05/19 Acquisition of a two bedroom house in Alvaston

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

It was reported that an offer of £129,000 had been accepted by the vendor and this purchase price aligned with the internal property value of £128,000 - £132,000 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:

- Replacement internal door
- Relocate gas hob and modify adjacent kitchen units
- Secure boundaries
- Install metal railings to front of property

It was also noted that these costs were not expected to exceed £6,589.

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

- Housing Revenue Account capital - £97,920

- Right to Buy Receipts (30%) - £41,966

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 18 with breakeven in year 34.

Resolved:

- 1. To approve the acquisition of the property at the negotiated purchase price of £129,000.**
- 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.**

06/19 Acquisition of a two bedroom flat in Darley Ward

The Cabinet Member received a report of the Director of City Development and Growth in relation to the purchase of a 2 bedroom flat in the Darley Ward.

It was reported that the Council had been approached direct to purchase the property and an offer of £75,000 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 £75,000 - £78,000.

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

- New bathroom
- New kitchen
- Rewire
- New gas central heating
- Window replacement as required
- Decoration as required

It was also noted that the costs were not expected to exceed £26,620.

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

- Housing Revenue Account capital - £72,900
- Right to Buy Receipts (30%) - £31,243

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 £75,000.**
- 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