

Time started: 02:31pm  
Time ended: 02:45pm

## **Adults, Health and Housing Cabinet Member Meeting 20 March 2019**

Present: Councillor Webb

In Attendance: Karen Brierley (Principal Housing Development Manager), Louise Brown (Housing Development and HRA Team Leader) and Steven Mason (Democratic Services Officer)

### **48/18 Apologies**

There were no apologies for absence.

### **49/18 Late Items**

There were no late items.

### **50/18 Declarations of Interest**

There were no declarations of interest.

### **51/18 Minutes of the meeting held on 21 February 2019**

The minutes of the meeting held on 21 February 2019 were agreed as a correct record.

### **52/18 Acquisition of a two 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 2 bedroom terraced property in the Abbey ward of the city.

It was reported that the property was being marketed for offers in the region of £110,000 and an offer of 107,000 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 £110,000.

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

- New gas central heating,
- New kitchen and bathroom, and
- Internal wall insulation
- Replacement roof
- Damp proofing and new plaster
- Replacement windows to first floor

- Rewire
- New secure front and rear doors
- New rainwater goods and downpipes

It was also noted that the costs would not exceed £65,000.

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

- Housing Revenue Account capital - £122,890
- Right to Buy Receipts (30%) - £52,667

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 41.

**Resolved:**

- 1. to approve the acquisition of the property at the negotiated purchase price of £107,000;**
- 2. to approve the subsequent refurbishment of the property by Derby Homes; and**
- 3. to approve the incorporation of the property into the Council's affordable housing portfolio to be managed by Derby Homes.**

**53/18 Acquisition of a two bedroom house in Boulton Ward**

The Cabinet Member received a report of the Director of City Development and Growth in relation to the purchase of a 2 bedroom terraced property in the Allenton area of the city.

It was reported that the property was being marketed for £99,950 and an offer of £93,000 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 £91,000-£95,000.

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

- Upgrade existing gas central heating,
- New kitchen and bathroom
- Internal wall insulation
- Replacement roof
- New internal and external doors
- Replacement PVCu windows
- Roof and chimney repairs/replacement
- Reinststate walls to stairs for fire safety
- New rainwater goods and downpipes

It was also noted that these costs were not expected to exceed £52,000.

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

- Housing Revenue Account capital - £103,696
- Right to Buy Receipts (30%) - £44,441

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 23 with breakeven in year 36.

**Resolved:**

- 1. to approve the acquisition of the property at the negotiated purchase price of £93,000;**
- 2. to approve the subsequent refurbishment of the property by Derby Homes; and**
- 3. to approve the incorporation of the property into the Council's affordable housing portfolio to be managed by Derby Homes.**

54/18          Acquisition of a three bedroom former council house in Chaddesden

The Cabinet Member received a report of the Director of City Development and Growth in relation to the purchase of a 3 bedroom mid-terraced former Council house in the Chaddesden ward of the city.

It was reported that the property was being marketed for offers in the region of £124,950 and an offer of £121,000 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 £121,000.

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

- New bathroom and upgrade existing kitchen,
- Replacement PVCu windows
- New internal and external doors
- New boiler
- New loft hatch and loft insulation
- External repairs and improvements

It was also noted that the costs were not expected to exceed £34,000.

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

- Housing Revenue Account capital - £111,284
- Right to Buy Receipts (30%) - £47,693

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 11 with breakeven in year 35.

**Resolved:**

- 1. to approve the acquisition of the property at the negotiated purchase price of £121,000;**
- 2. to approve the subsequent refurbishment of the property by Derby Homes; and**
- 3. to approve the incorporation of the property into the Council's affordable housing portfolio to be managed by Derby Homes.**

55/18          Acquisition of a vacant three bedroom house in Arboretum Ward

The Cabinet Member received a report of the Director of City Development and Growth in relation to the purchase of a 3 bedroom mid-terrace property which was vacant due its poor condition, which may impact on neighbouring properties if not addressed appropriately.

It was reported that the homeowner of the property, who was a hoarder, had been allocated alternative accommodation due to the condition of the property. It was also reported that he had agreed, following independent legal advice, to transfer ownership of the property to the Council, at an agreed value less clearance cost, so the numerous defects could be addressed effectively.

The Cabinet Member noted that the District Valuer had provided an independent valuation, post clearance works, of £30,000 for the property in its current condition and that a purchase price of £26,722 had been agreed with the homeowner.

It was also noted that the property would be subject to a full refurbishment once the property was in Council ownership to ensure it met building regulations and could be brought back into use as an affordable rental home.

It was reported that the building and structural survey had been completed which identified the following major issues:

- Loose brickwork above ground floor windows due to rotting window frames.
- Damp due to defective guttering, overgrown vegetation and no effective damp proof course
- Loose roof slates
- Cracking above internal doors
- Rotten floor joists and defective solid floors
- Significant water damage

It was also reported that in addition to addressing structural defects, the property required a full refurbishment throughout to bring it up to the Councils lettable standard, including but not limited to:

- New gas central heating
- Full electrical rewire
- New kitchen and bathroom
- New windows and doors
- Insulation
- Complete clearance of overgrown and derelict rear garden
- Removal and replacement of solid and timber floors
- New ceilings throughout
- Full damp proof course and replacement plaster
- Full redecoration
- General repairs internally and externally

It was noted that the costs would not exceed £120,000.

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

- Housing Revenue Account Capital - £103,457
- Right to Buy Receipts (30%) - £44,339

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 7 with breakeven in year 30.

**Resolved:**

- 1. to approve the acquisition of the property at the negotiated purchase price of £26,722;**
- 2. to approve the subsequent structural remediation work and full refurbishment of the property where required by Derby Homes; and**
- 3. to approve the incorporation of the property into the Council's affordable housing portfolio to be managed by Derby Homes.**

56/18          Acquisition of a three bedroom former council house in Mackworth

The Cabinet Member received a report of the Director for City Development and Growth in relation to the purchase of a 3 bedroom semi-detached former Council house located in the Mackworth Ward of the city.

It was reported that the property was being marketed for offers in excess of £110,000 to reflect the level of work required to bring it to a decent standard. It was also reported that an agreed purchase price of £115,000 was reached following negotiation. The Cabinet Member noted that although this was in excess of the Council's valuation of £110,000.00 it did reflect that properties in this area were in demand and selling quickly when they came to market.

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

- New gas central heating,
- Rewire
- Damp treatment and new plaster to walls
- New windows and doors
- New kitchen and bathroom
- Internal insulation
- Replacement roof, and
- External works to provide new parking area, paths and boundaries

It was reported that the costs were not expected to exceed £76,000 and that the level of works reflected the fact that the property has had no investment in it for a number of years.

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

- Housing Revenue Account capital - £136,358
- Right to Buy Receipts £58,439

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 25 with breakeven in year 38.

**Resolved:**

- 1. to approve the acquisition of the property at the negotiated purchase price of £115,000;**
- 2. to approve the subsequent refurbishment of the property by Derby Homes; and**
- 3. to approve the incorporation of the property into the Council's affordable housing portfolio to be managed by Derby Homes.**

**57/18 Acquisition of a five bedroom house in Boulton Ward**

The Cabinet Member received a report of the Director for City Development and Growth in relation to the purchase of a 5 bedroom terraced property in the Boulton area of the city.

It was reported that the property was being marketed for £165,000 and an offer of £160,000 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 £160,000-£165,000.

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

- Repairs to kitchen
- Rectify leaking SVP and make good damage
- Supply and fit new shower over bath and re-tile
- Carry out general repairs to walls, doors and windows

- Redecorate throughout
- Clear garden and secure all boundaries

It was also noted that these costs were not expected to exceed £18,500.

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

- Housing Revenue Account capital - £129,043
- Right to Buy Receipts (30%) - £55,304

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 22 with breakeven in year 36.

**Resolved:**

- 1. to approve the acquisition of the property at the negotiated purchase price of £160,000;**
- 2. to approve the subsequent refurbishment of the property by Derby Homes; and**
- 3. to approve the incorporation of the property into the Council's affordable housing portfolio to be managed by Derby Homes.**

58/18 Purchase of a city centre site in Derby for potential future redevelopment

The Cabinet Member received a report of the Director of City Development and Growth in relation to the purchase of a city centre site in Derby for potential future redevelopment.

The Cabinet Member noted the exempt information in relation to this matter and resolved to consider the two reports together.

**Resolved to consider the report along with the exempt information relating to it.**

59/18 Exclusion of Press and Public

**Resolved that under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting during discussion of the following items on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.**

60/18 Purchase of a city centre site in Derby for potential future redevelopment

The Cabinet Member received a report of the Director of City Development and Growth in relation to the purchase of a city centre site in Derby for potential future redevelopment.

The Cabinet Member noted that the report proposed the following:

- The purchase of a city centre site leasehold, where the Council already owned the freehold interest, funded by the Housing Revenue Account (HRA) and Right to Buy (RtB) receipts at an agreed cost.
- The appropriation of the site's freehold from the general fund to the HRA once the leasehold had been acquired at an approved asset valuation.
- The redevelopment of the site to provide affordable housing funded by the HRA and RtB receipts subject to design, planning permission and Cabinet approval.
- The demolition and clearance of the site to facilitate survey and design work required as part of any proposed future redevelopment.

It was reported that the site would be suitable for re-development to provide approx. 25-30, 1 and 2 bedroom apartments which would be in keeping with the surrounding properties.

The Cabinet Member considered exempt information in relation to the item.

**Resolved:**

- 1. to approve the purchase of the city centre site's leasehold funded by the HRA and RtB receipts at an agreed cost; and**
- 2. to approve the appropriation of the site's freehold interest to the HRA at the Councils asset valuation.**

MINUTES END