



Derby City Council

**ADULTS, HEALTH AND HOUSING CABINET
MEMBER MEETING
16 October 2018**

ITEM 6

Report of the Strategic Director of Communities
and Place

Acquisition of Temporary Accommodation – 228 Harrington Street

SUMMARY

- 1.1 This report proposes the acquisition of a three bedroom, three storey, mid-terrace townhouse to provide temporary accommodation.

RECOMMENDATION

- 2.1 To approve the acquisition of 228 Harrington Street for the negotiated sum of £117,500 to provide temporary accommodation.
- 2.2 To approve the subsequent refurbishment of the property.
- 2.3 To incorporate the property into the Council's portfolio of temporary accommodation to be managed by Derby Homes.

REASONS FOR RECOMMENDATION

- 3.1 To meet the rising demand for temporary accommodation and prevent the use of costly bed and breakfast accommodation.
- 3.2 To ensure the property provides high quality accommodation for those in identified housing need.
- 3.3 To ensure the property is adequately managed and maintained.

SUPPORTING INFORMATION

- 4.1 In November 2017 Cabinet approved the acquisition of up to six, 2-3 bedroom properties in 2018/19 to be used as temporary accommodation. Acquisition of Temporary Accommodation, Cabinet Meeting 8 November 2017, Minute Ref: 74/17.
- 4.2 The property, 228 Harrington Street is a modern three bedroom townhouse located in the Arboretum ward of Derby close to the city centre.

- 4.3 The acquisition has been agreed at a cost of £117,500 and the property requires refurbishment to bring it up to the Council's high standards, with costs not expected to exceed £20,000.
- 4.4 The acquisition and refurbishment will be funded entirely through the use of historical Right to Buy (RTB) Receipts. These receipts are not RTB 141 receipts but are the unrestricted (retained) first retention of RTB receipts and therefore exempt from the requirement to use RTB receipts towards general needs housing.
- 4.5 The property will be held within the General Fund as opposed to the Housing Revenue Account and so the rent is not restricted to affordable levels and any rent generated will provide an ongoing surplus to the General Fund.
- 4.6 The property will be allocated, managed and maintained by Derby Homes who have provided that demand exists for this type of property as temporary accommodation.

OTHER OPTIONS CONSIDERED

- 5.1 The Council could use existing general needs stock for the purpose of TA, but this would take units out of the allocation system that provided permanent housing solutions.
- 5.2 The Council could choose not to invest in additional TA, but this would result in more households having to be accommodated in B&B with the associated undesirable outcomes.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Emily Feenan Shelley Stevenson N/A Jayne Sowerby-Warrington Ian Fullagar Karen Brierley
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For more information contact: Background papers: List of appendices:	Carly Saunt 01332 640321 carly.saunt@derby.gov.uk None Appendix 1 – Implications
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IMPLICATIONS

Financial and Value for Money

- 1.1
- Acquisition cost - £117,500
 - Stamp Duty Land Tax - £3,525
 - Estimated refurbishment cost - £20,000
 - Total - £141,025
 - Funded 100% from historic RtB receipts
- 1.2 The agreed purchase price of £117,500 evidences excellent value for money as the Council valued the property at £120,000.

Legal

- 2.1 The acquisition will be subject to the Council's standard due diligence throughout the conveyance.

Personnel

- 3.1 N/A

IT

- 4.1 N/A

Equalities Impact

- 5.1 The properties structure and layout does not allow any adaptations.

Health and Safety

- 6.1 N/A

Environmental Sustainability

- 7.1 N/A

Property and Asset Management

- 8.1 This acquisition will provide an additional unit of temporary accommodation within the Council's housing portfolio.

Risk Management and Safeguarding

- 9.1 The property will not be subject to the Right to Buy as it will not be held within the Housing Revenue Account and will not be let on a secure tenancy.

Corporate objectives and priorities for change

- 10.1 To provide households of Derby with suitable temporary accommodation and reduce the Council's reliance on Bed & Breakfast accommodation for homeless households.