

Strategic Acquisition of a Vacant Property

SUMMARY

- 1.1 This report proposes the acquisition of a 3 bed mid-terraced property in the Mackworth ward of Derby which has previously benefitted from a Disabilities Facilities Grant to provide a through floor lift and wet room.
- 1.2 It is proposed that the property will undergo a scheme of refurbishment and improvement by Derby Homes to provide an accessible property to meet the needs of a family on the housing register.
- 1.3 It is proposed that the property will provide an accessible home to an identified family in housing need and the property will be incorporated into the council's affordable housing portfolio to be managed by Derby Homes.

RECOMMENDATION

- 2.1 To authorise the Head of Strategic Housing in conjunction with the Head of Strategic Asset Management and Estates to proceed with the acquisition at the negotiated purchase price of £105,000.
- 2.2 To approve the refurbishment and alteration necessary to ensure the property is accessible to be completed by Derby Homes, and the inclusion of the property within the management portfolio of Derby Homes.
- 2.3 To approve the allocation of the adapted property to an identified family via a direct match in accordance with the council's allocations policy.

REASONS FOR RECOMMENDATION

- 3.1 To ensure that the acquisition is undertaken in accordance with council procedure ensuring due diligence throughout, and bring a property type in high demand into the council's affordable housing portfolio.
- 3.2 To ensure the refurbishment and improvement works are completed to the council's high standard and that the property is correctly managed and maintained.

- 3.3 To ensure that the property provides appropriate, adapted accommodation to meet the needs of the family matched to the property.

SUPPORTING INFORMATION

- 4.1 The identified house is a 3 bedroom end terraced property that received investment from the council via a Disabled Facilities Grant to provide a through floor lift and wet room for the previous owners. The lift has a full service history through Derby City Council.
- 4.2 The property is currently long term vacant and it's purchase will bring it back into use generating income for the authority.
- 4.3 The property requires modernisation throughout, including but not limited to:
- Gas central heating upgrade
 - Replacement kitchen
 - Damp proof course
 - Installation of hard-wired smoke alarms
 - Plaster repairs/replacement
 - Full redecoration
- 4.4 The property will also require further adaptation works to ensure it will meet the specific needs of the identified family. Work is expected to include but not limited to:
- Track hoist where required
 - Improvement to front pedestrian ramp and parking area
 - Ramp and hard paved area to rear garden for access
 - Improved circulation by removal of lounge/dining stud partition
- 4.5 The improvements will improve the overall standard of the house as well as its functionality, energy efficiency and visual appearance creating an accessible home to suit the family's needs.
- 4.6 The modernisation and adaptation works are not expected to exceed £50,000
- 4.7 The vendors have agreed a purchase price of £105,000 which is in accordance with the valuation completed by the Councils independent valuer representing good value for money. 3% Stamp Duty Land Tax (SDLT) will also be payable.
- 4.8 There is a strong identified housing need for adapted and accessible homes of this size and nature in this location.
- 4.9 The acquisition of the property and any required alterations can be funded from the existing Housing Revenue Account (HRA) new build and acquisition budget. Minute ref : 185/15 Housing Revenue Account Business Plan 2016 – 46.

- 4.10 Proposals for the acquisition or disposal of land or buildings, whether freehold or leasehold, shall be referred to the Director of Finance and the Chief Executive in accordance with the Financial Procedure Rules.

OTHER OPTIONS CONSIDERED

- 5.1 Do Nothing. This will not ensure that the property is refurbished and the adaptations retained and made available to those on the housing register. This option is not recommended.
- 5.2 For the property to be sold on the open market to a private purchaser. A private purchaser is more likely to buy this property and remove the adaptations to convert it back to a general needs family property. This will result in the loss of an adapted property within the city. This option is not recommended.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Paul McMahon Amanda Fletcher Liz Moore Jayne Sowerby-Warrington Greg Jennings Ian Fullagar, Ann Webster
For more information contact: Background papers: List of appendices:	Karen Brierley email Karen.brierley@derby.gov.uk Carly Saunt email: Carly.saunt@Derby.gov.uk None Appendix 1 – Implications

IMPLICATIONS

Financial and Value for Money

- 1.1 The acquisition and refurbishment works will be funded by the Housing Revenue Account (HRA) for new build and acquisition and Empty Homes Grant from the Homes and Communities Agency at a rate of 18% of the total cost.
- 1.2 The agreed purchase price of £105,000 is in accordance with the valuation figure provided by the council's independent external valuer evidencing good value for money for an adapted property of this size and type in this location.
- 1.3 The cost of the improvement works is not expected to be greater than £50,000 which will be financed by Empty Homes grant at a rate of 18% with remaining costs deducted from existing capital budgets.
- 1.4 The cost breakdown is as follows:
 - Purchase price - £105,000
 - Stamp Duty Land Tax - £3,150
 - Valuation Fees - £500
 - Improvement works - £50,000
 - Total - £158,650

Legal

- 2.1 Housing Act 1985 (s9) allows the Council to buy houses to rent. The acquisition will be subject to the usual due diligence throughout conveyance.
- 2.2 The property will be allocated to an identified family in housing need via the direct match process in accordance with the council's allocations policy.

Personnel

- 3.1 None arising directly from this report.

IT

- 4.1 None arising directly from this report.

Equalities Impact

- 5.1 The property is already adapted and further improvements will be made to suit people who require such a property.
- 5.2 This supports the council's commitments to provide disabled people with equal and

inclusive access to council services including housing. This is in line with the adoption of the social model of disability in accordance with the council's Equality, Dignity and Respect Policy 2017-2020.

- 5.3 The property will be allocated via a direct match to an identified family in housing need who require an adapted property in accordance with the council's approved allocations policy.

Health and Safety

- 6.1 None arising directly from this report.

Environmental Sustainability

- 7.1 Once acquired, the property will benefit from improvements to the gas central heating system and thermal insulation to improve the properties environmental sustainability and increase its energy efficiency ratings.

Property and Asset Management

- 8.1 The acquisition will bring an adapted property of a popular size and type into the Council's portfolio.
- 8.2 The agreed purchase price of £105,000 is in accordance with the valuation figure provided by the council's independent external valuer.

Risk Management and Safeguarding

- 9.1 None arising directly from this report.

Corporate objectives and priorities for change

- 10.1 This acquisition supports the Council's objective to increase its affordable housing stock to ensure Derby's residents have access to high quality, affordable homes and housing services which support communities and improve quality of life.
- 10.2 This acquisition is in line with the council's adoption of the social model of disability in accordance with the Equality, Dignity and Respect Policy 2017-2020.
- 10.3 This acquisition supports the Council's objective to reduce the number of long term vacant properties within the city and to bring them back into use as contained in the Council's adopted Empty Homes Strategy.