

## HOUSING SERVICES PORTFOLIO HOLDER DECISION – 20 NOVEMBER 2020

***‘Appendix 1 contains exempt information as defined in Paragraph 3 in Part I of Schedule 12A of the Local Government Act 1972. The public interest in withholding the information outweighs such interest in disclosing the information.***

***Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).’***

## PROPOSED PURCHASE OF ELEVEN NEW BUILD HOMES FOR AFFORDABLE RENT

### 1. INTRODUCTION

- 1.1 This report seeks the approval of The Executive Member for Housing Services to acquire the freehold interest in eleven new-build residential properties within the south of the district. All of the homes will be provided for “Affordable Rent”.
- 1.2 Due to the pre-contract nature of this decision and the associated commercial sensitivity, financial information has been set out within Confidential Appendix 1 – information which will made be available at the earliest opportunity when no longer commercially sensitive.

### 2. BACKGROUND

- 2.1 In recent months opportunities have been sought by the Housing Development Team to purchase suitable ‘off-the-shelf’ new-build properties for affordable housing that can contribute to the Council’s Housing Strategy objectives. Procurement ‘off-the-shelf’, means purchases from private developers who are prepared to sell to the council at discounts to open market asking prices.
- 2.2 As a result fifteen ‘off-the-shelf’ affordable homes are in the process of coming forward across two developments. This report addresses a complete scheme of 11 homes built by a local developer within the south of the district (8 x 2 bedroom flats, 1 x 2 bedroom maisonette, 1 x 1 bedroom flat and 1 x 2 bedroom house).
- 2.3 This report and recommendation follows a formal valuation of the properties, legal due diligence checks and the successful outcome of a material bid to Homes England for social housing grant towards the purchase of the eleven homes for Affordable Rent.

### 3. THE PROPOSAL

- 3.1 Once acquired the eleven homes for Affordable Rent will be let on periodic secure tenancies in accordance with the model and funding conditions prescribed by Homes England. As specified, rents will not exceed 80% of market rates (including service charges), whilst consideration will be given to the use of a local lettings plan to ensure that the affordability requirements of the Council’s adopted Housing Allocation Policy will be fulfilled.
- 3.2 Financial details are contained within the confidential appendix, however, it can be confirmed that the acquisition price is below the developers intended asking price and open market value, as determined by an external RICS Valuer.

#### **4. CONSULTATIONS**

- 4.1 The proposal, the related costs, and the housing needs to be met, have been discussed with and supported by senior officers in Finance and Housing (Needs, Management and Maintenance).
- 4.2 Detailed financial and rental information regarding the proposed homes for Affordable Rent has been shared with and evaluated by Homes England as part of a capital funding submission.

#### **5. STATUTORY AUTHORITY**

- 5.1 S17 (1b) of the Housing Act 1985 provides general statutory powers for the Council to acquire land and property.

#### **6. CONCLUSIONS**

- 6.1 These eleven new-build properties have created a windfall 'fast-track' opportunity to provide additional affordable homes for local people in housing need and will bring the total number of Council owned Affordable Rent tenure properties to thirteen.

#### **7. FINANCIAL IMPLICATIONS**

- 7.1 In February 2020 Council approved a 2020/21 budget of £9m for the Housing Acquisition and Development Programme. Decisions on individual sites or properties are made by the Housing Services Portfolio Holder. The acquisition proposed in this report is covered within the current approved budget.

#### **8. CRIME & DISORDER IMPLICATIONS**

- 8.1 None

#### **9. ENVIRONMENTAL IMPLICATIONS**

- 9.1 None

#### **10. EQUALITY & DIVERSITY IMPLICATIONS**

- 10.1 None

#### **11. RECOMMENDATIONS**

- 11.1 In accordance with adopted strategic housing and development objectives, it is recommended that the Council acquires the freehold interest of these eleven new-build homes for the sum disclosed within Confidential Appendix 1.

#### **12. PORTFOLIO HOLDER ENDORSEMENT**

**I have agreed to the recommendations in this report and the Confidential Appendix 1.**

**Sign: CLLR J CLEARY**

**Date: 20 November 2020**

**For further information contact:**

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**Background Papers:**

NFDC Housing Allocation Policy  
  
Cabinet Agenda and Minutes from 5th  
February 2020 – Agenda Item No:61 –  
Capital Strategy 2020/21

Date on which notice given of this Decision – 20 November 2020

Last date for call-in – 27 November 2020