

Decision by Portfolio Holder



Report reference: HPS-012-2019/20
Date of report: 10 February 2020

**Epping Forest
District Council**

Portfolio: Housing and Property Services – Councillor H Whitbread

Author: Deborah Fenton (01992 564221) **Democratic Services:** J Leither

Subject: Purchase of Street Properties (Phase 4)

Decision: That the Council purchases the street properties at 132 Highwood Lane, Loughton, £230,000. 2 Osprey Court, Waltham Abbey £226,000. 28 Fairbank, Ongar, £290,000 respectively, subject to a satisfactory search, survey, valuation and contract.

ADVISORY NOTICE: <i>A Portfolio Holder may not take a decision on a matter on which he/she has declared a Pecuniary interest. A Portfolio Holder with a non-pecuniary interest must declare that interest when exercising delegated powers.</i>	
I have read and approve/ do not approve (delete as appropriate) the above decision:	
Comments/further action required: None	
Signed: Cllr H Whitbread	Date: 20 th February 2020
<i>Non-pecuniary interest declared by Portfolio Holder/ conflict of non-pecuniary interest declared by any other consulted Cabinet Member:</i>	<i>Dispensation granted by Standards Committee: Yes/No or n/a</i>
Office use only: Call-in period begins: 20 th February 2020	Expiry of Call-in period: 27 th February 2020

**After completion, one copy of this pro forma should be returned to
Democratic Services IMMEDIATELY**

Reason for decision:

To ensure that all of the Councils 1-4-1 Receipts from Right to Buy (RTB) sales are spent within the required three years of receipt, and none are passed on to the Government, with Interest. The Cabinet agreed on the recommendations of the Council House-building Cabinet Committee to delegate the authority to the Service Director to source properties for sale on the open market, make verbal offers to purchase and make recommendations to the Housing Portfolio Holder to agree their purchase.

Options considered and rejected:

Not to purchase these properties and pass on the Receipts to Government with interest. This would not be in the best interest of the Council given the local housing need. Also, the strain put on the Council's HRA due to the loss of stock under RTB would worsen.

Background Report:

In July 2015, the Council House-building Cabinet Committee considered a report on accelerating the house-building programme to ensure that all 1-4-1 Receipts from Right to Buy sales are spent within the required three years of receipt and none are passed on to the Government, with interest. One of the options agreed was to purchase street properties. The recommendations of Cabinet Committee were later agreed by the Cabinet.

To assist the Council, a RICS registered agent Steven Tarry (Metaplan) was appointed by the Council. The instruction included sourcing street properties which were chain free and were not pre – 1945's (the construction method makes them difficult to treat). Also, a financial report be provided based on the income and expenditure profile over the period of the business plan.

Overview of the properties

While the offers have been accepted, legal searches, property surveys and independent valuation surveys will need to be completed before exchange. Subject to a satisfactory outcome, it is recommended that the Council completes the purchase of these street properties, with a view of letting them at an affordable rent in line with the Rent Policy.

Resource Implications:

£746,290 plus stamp duty and legal costs to be funded from the existing Capital programme for Council house-building, with 30% of the costs being funded from 1-4-1 receipts.

Legal and Governance Implications:

All relevant conveyancing legislation that is applicable along with Standing orders and Financial Regulations.

Safer, Cleaner and Greener Implications: N/A

Consultation Undertaken:

Council house-building Cabinet Committee decisions from 4th June 2015 and the subsequent Cabinet decision on 23rd July 2015

Background Papers:

Cabinet Paper 23rd July 2015

Risk Management:

That the valuation of the properties is below the accepted offer. This will be considered when an independent valuation is undertaken.

There is a higher risk of losing 1-4-1 receipts if the Council does not complete the purchase of the properties, thus impacting of the future HRA revenue.

Key Decision Reference (Y/N): N

Equality Analysis:

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided as an Appendix to this report.