

Acquisition of Properties

3 Keble Drive, Syston

Decision under Delegated Powers

Officer Requesting Decision

Beverly Wagstaffe - Housing Strategy and Support Manager

Officer Making the Decision

Alison Simmons - Head of Strategic and Private Sector Housing

Recommendation

To approve the purchase of 3 Keble Drive, Syston and for the Council to formerly Exchange Contracts and Complete the purchase.

Reason

To utilise approved funding for the purchase of additional HRA rental properties.

Authority for Decision

Section 8.3, of the Constitution gives delegated authority to the Head of Strategic and Private Sector Housing to acquire additional properties for rent via the HRA where approved funding exists within the Capital Plan for the relevant financial year, and where any property acquired is subject to a Condition Survey, an Independent Valuation, Standard Legal checks, and meets identified housing needs (item 20 on page 8-20).

Decision and Date

Signed:



Date: 21st March 2019

Head of Strategic and Private Sector Housing

Background

On the 19th October 2017, the Leader gave delegated executive authority to the Head of Strategic and Private Sector Housing to acquire additional properties for rent via the HRA within available approved funding which has subsequently been formalised in an update of the Constitution approved by Council on the 25th June 2018

The following property has now been identified to purchase:

- 3 Keble Drive, Syston – 5 bed house

There is an identified need for this size of property. The Council currently does not own any 5 bed houses in the Syston area

The seller of the property has accepted an offer of £275,000

A Condition Survey, Valuation and Legal checks have all now been satisfactorily completed.

Comments from HR

Not applicable

Financial Implications

The cost of acquiring this property is £275,000 with associated fees estimated at £2,650 and stamp duty of £12,000 (total cost of £289,650).

In February 2018, Cabinet approved a budget of £1,953,000 for 2018-2019 and in August 2018 approved a budget of £2,797,000 for 2019-2020 to support delivery of the Housing Acquisition Policy in acquiring additional HRA properties for rent.

To date the Council has purchased 9 other properties for the sum £1,429,218 including associated fees with a further £649,260 committed with 3 other purchases including this property.

This means that the total spent to date and the funds committed equal £2,078,478. The 2018-2019 capital budget will overspend by £125,478 which will have a compensating budget reduction in 2019-2020 this is allowed for in the overall capital scheme budget

There is sufficient budget to cover the cost of acquiring 20 Lilac Close, Loughborough.

Risk Management

No risks identified

Key Decision:

Yes, but exempted from call-in. See agenda item 14, Full Council meeting dated the 6th November 2017.

Background Papers:

Housing Acquisition Policy approved by Cabinet on the 10th May 2018.