

## Housing Acquisitions Policy

### Amendment to the Policy based on the annual review.

#### Decision under Delegated Powers

##### Officer Requesting Decision

Sarah McQueen – Housing Policy and Projects Officer

##### Officer Making the Decision

Alison Simmons - Head of Strategic and Private Sector Housing

##### Recommendation

To approve minor amendments as detailed below to the Housing Acquisitions Policy identified following the annual review.

##### Reason

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

##### Authority for Decision

On 10<sup>th</sup> May 2018, Cabinet approved a new Housing Acquisition Policy and resolved that the delegated authority be given to the Head of Strategic and Private Sector Housing, in consultation with the Cabinet Lead Member for Housing, to make amendments to the Policy.

##### Decision and Date

Signed:



Alison Simmons

Date:

24<sup>th</sup> June 2019

Head of Strategic and Private Sector Housing

##### Background

On 10<sup>th</sup> May 2018, Cabinet approved a new Housing Acquisition Policy that supports the Council's aim to acquire additional properties for rent via the HRA within available funding.

In February 2018, Cabinet approved a budget of £1,953,000 for 2018-2019 which was committed in full by the purchasing of 11 properties in total during this first year of the policy.

The annual review of the Policy has now been conducted and a few minor amendments have been identified as follows:

- Page 3: Amend to state that Right to Buy Receipts can be used in conjunction with Commuted Sums to finance Acquisitions.

- Page 5: Amend to say that the initial investment (the buying price plus cost of repairs) should not exceed the property value once bought up to the Charnwood Standard.
- Page 8: Criteria amended to include the option of purchasing land, design and construction as modular build.
- Page 9: Amend to state there is lack of suitable 2 bed homes available to purchase on the open market.

### **Comments from HR**

Not applicable

### **Financial Implications**

There are no additional financial implications.

### **Risk Management**

No risks identified

Key Decision:

No

Background Papers:

Housing Acquisition Policy approved by Cabinet on the 10<sup>th</sup> May 2018.

# Housing Acquisition Policy Review

2019



|    | Area to be reviewed  | Comments  | Suggested amendments   |
|----|--|---|--|
| 1. | What was the overall aim of the Policy/Strategy/Action Plan?   | <p>The aim of the Policy was to increase the Council's affordable housing stock by using money received via RTB receipts, topped up with HRA funding to purchase properties on the open market.</p> <p>The properties identified should meet the criteria set out in the Policy and meet an identified housing need.</p>  | No suggestions   |
| 2. | What was the budget and was it sufficient to meet the aims of the Policy?  | <p>The budget for 2018-2019 was £1,953,000. The target was to purchase between 8-10 properties on the open market. 11 properties were purchased in total using the entire budget and committing a small proportion of the budget for 2019-2020.</p> <p>This would suggest that the given target was realistic and the budget allocated was enough to fulfil this target</p>   | <p>The budget for 2019-2020 has been increased to £2,797,000 with a target of 10-12 properties to be purchased.</p> <p>In addition, it has been confirmed that money from commuted sums can be used in conjunction with 1-4-1 receipts.</p> <p>Therefore, this section of the Policy would have to be updated.</p> |
| 3. | Did the Policy enable the Service to deliver what was expected?  | <p>Properties were purchased which met specific needs, for example a 4 bed house with disabled adaptations and a 2 bed bungalow which was identified as suitable for specific adaptations.</p> <p>The Policy suggests as an example that 2 bed properties are particularly in high demand.</p> <p>However, during the course of the year, it has been identified that there are very few suitable 2 bed houses for sale.</p> <p>This is not an issue that can be addressed in the Policy.</p> | Policy is amended to highlight the difficulty in being able to purchase 2 bed properties although there is still a high demand for 2 beds in the Borough.  |
| 4. | Since the implementation of this Policy, have there been any major legislative changes that could affect delivery? | There have been no major changes that would require any policy adjustments  | No Suggestions   |



|    | Area to be reviewed   | Comments  | Suggested amendments  |
|----|---|---|---|
| 5. | What other issues have arisen that may require Policy changes?  | <p>The Policy states that as a guide, 10% of the purchase price could be used for repairs to bring the property up to a liveable standard. However in practice generally speaking, the more expensive the property, the better the condition and therefore less money needs to be spent on repairs.</p> <p>If there is a property on the market that requires renovation works it is likely to be for sale at a lower price and would require more than the 10% guidance for repairs.</p>   | <p>It would be better if the guidance for repair work is based on the estimated value of the property once it is in good condition.</p> <p>The estimated value should be used as a guide to ensure the total spend does not exceed the property value. This will ensure value for money</p> <p>In addition it would be worth including modular build as an option within the Policy and detailing how this could be used.</p> |
| 6. | Changes to be made to the Policy to be approved by the Head of Strategic and Private Sector Housing in consultation with the Lead Member for Housing. | <p>Page 3: Amend to state that Right to Buy Receipts can be used in conjunction with Commuted Sums to finance Acquisitions</p> <p>Page 5: Amend to say that the initial investment (the buying price plus cost of repairs) should not exceed the estimated property value once bought up to the Charnwood Standard.</p> <p>Page 8: Criteria amended to include the option of a modular build property.</p> <p>Page 9: Amend to state that it has been identified that there is lack of suitable 2 bed homes available to purchase on the open market.</p> |   |
| 7. | Changes to be made to the Policy which will require Cabinet approval  | Not applicable  |   |



