

Officer Decision Record



Decision Maker:	Janet Waggott, Chief Executive, in consultation with the Lead Executive Member for Housing, Health and Culture and the Section 151 Officer Karen Iveson
Lead Officer:	June Rothwell, Head of Operational Services
Title of Decision:	The decision to purchase a former right to buy property in Tadcaster and the decision to determine the most appropriate funding package.
Ward(s) Affected:	All
Type of Decision:	<input type="checkbox"/> Key Decision <input type="checkbox"/> None key decision discharging (or connected to the discharge of) an Executive function <input checked="" type="checkbox"/> Specific delegation from Council or Committee <input type="checkbox"/> Grant of permission / licence <input type="checkbox"/> Affecting the rights of an individual <input type="checkbox"/> Awarding a contract or incurring expenditure which materially affects the financial position of the Council
Details of decision:	The decision is to purchase a former Council property previously sold through the Right to Buy to bring back into use as affordable housing. The purchase will be funded from agreed budgets possible funding sources include using Homes England Affordable Housing Grant, funding from Section 106 commuted sums and HRA capital receipts or borrowing.
Reason for decision:	<p>The purchase of this former Right to Buy Council property will support the increase in affordable housing provision and will directly contribute to meeting the Council's one for one replacement target for right to buy properties.</p> <p>The property is a 3-bed mid terrace in an area of high demand and is considered suitable for buy-back. The business case and detailed financial model demonstrates payback in year 31 which fails the 30 year financial viability criteria. However, this property fulfils a vital need and when taken in the context of the whole empty property housing programme, the programme delivers payback in year 18.</p>

	<p>Authority to purchase the property was delegated by Executive at the meeting held on 13th June 2019 to 'the Director of Corporate Services and Commissioning, in consultation with the Lead Member for Housing, Leisure, Health and Culture and the Section 151 Officer to purchase properties subject to the business case and enter into contracts to purchase properties which meet the business case, costs and available funding'.</p> <p>The authority to decide on the most appropriate funding package for this acquisition was delegated to 'the Chief Finance Officer in consultation with the Director of Corporate Services to determine the most appropriate funding package for these acquisitions drawing on approved funding from Homes England Empty Homes Programme Grant, Section 106 affordable housing commuted sums and HRA funding approved for building/acquiring additional council homes.</p>
<p>Alternative options considered and rejected:</p>	<p>The size, location and type of property is in high demand and therefore this option was an opportunity to directly increase affordable housing provision in the district. This property would allow SDC to regain control of an area of housing which is primarily under council ownership.</p>
<p>Member Interests: <i>(Name of any Member who has declared a conflict of interest in relation to the decision and details of any dispensation granted by the Head of Paid Service if appropriate)</i></p>	<p>None.</p>
<p>Legal, Financial or other implications:</p>	<p><u>Legal</u></p> <ul style="list-style-type: none"> The Housing Act 1985 empowers local authorities to acquire land, houses or other properties from private individuals, for the provision of housing accommodation. <p><u>Financial</u></p> <ul style="list-style-type: none"> The cost of the acquisition is £168,000. There are some works required to the property to bring it to a lettable standard therefore the total capital cost including fees is £188,300.

	<ul style="list-style-type: none"> • The rental income will be credited to the Housing Revenue Account. The funding for this purchase is within the approved capital programme although this exceeds the average SDC contribution per unit which will impact on the number of units that can ultimately be delivered under the programme. • It is recommended that the cost of the acquisition and the required refurbishment costs are met from the Empty Homes Programme as detailed in the business case. This includes £39,000 from the Homes England Grant, £30,000 from S106 commuted sums and the balance would be using either capital receipts or prudential borrowing.
Background papers:	<p>Executive Report: Affordable Housing Delivery through Right to Buy Buybacks (13th June 2019)</p> <p>https://democracy.selby.gov.uk/ieListDocuments.aspx?CId=139&MIId=1745&Ver=4</p>
Contact details for further information:	<p>June Rothwell, Head of Operational Services</p> <p>jrothwell@selby.gov.uk</p>
Signed:	<i>Signature redacted</i>
Date of Decision:	16/01/2020