

Key Decision Required:	No	In the Forward Plan:	No
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PORTFOLIO HOLDER FOR FINANCE AND CORPORATE RESOURCES

30 AUGUST 2018

A.1 INITIATION OF THE PROPERTY DEALING PROCEDURE: PURCHASE OF A TWO BEDROOM FLAT IN CLACTON ON SEA

(Report prepared by David Black)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To consider whether to initiate the Council's Property Dealing Process for the potential purchase of a two bedroom flat in Clacton on Sea

EXECUTIVE SUMMARY

The Council has capital receipts from Right to Buy sales and S106 income. Given our chronic shortage of suitable accommodation in the Tendring area, purchasing such a property would make an ideal use of these funds in an area where such accommodation is in high demand. In addition, giving consideration to flats that are the only sold/leasehold flat within TDC owned blocks.

RECOMMENDATION(S)

That the Portfolio Holder initiates the property dealing process, in respect of the potential purchase of one two bedroom flat from their current owners (or similar alternative under same conditions), in order that Officers may consider the potential transaction, including valuation, examinations, and negotiations in accordance with the Council's Property Dealing Policy as set out in the Constitution.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Our priorities include providing decent affordable housing and to ensure all our residents live in high quality housing which meets local needs. To aid and support housing land allocations made which will support sustainable mixed developments and the supply of affordable housing sites apply high design standards to all new proposals.

To manage public money effectively meaning value for money principles are embedded in the delivery of all our services

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The purchase of properties carries a financial cost but would bring an additional dwelling/s into the Housing Revenue Account that could immediately begin generating a return.

The transaction could be financed through funds already held from Right to Buy and/or S106 receipts.

Risk

Officers have not identified any significant risk associated with the proposals.

LEGAL

In coming to decisions in relation to management or procurement of assets, the Council must act in accordance with its statutory duties and responsibilities. Under case law following Section 120 of Local Government Act 1972, the Council is obliged to ensure that the management of its assets are for the benefit of the district.

The Council has powers to compulsorily purchase land or buildings for housing purposes. In this instance the property is for sale on the open market.

Section 123(1) Local Government Act 1972 indicates that, a local authority may dispose of land held by it in any way it wishes so long as (section 123 (2)) the land is disposed for a consideration not less than the best that can reasonably be obtained.

The General Disposal Consent Order (England) 2003 gives consent for disposal at below best consideration reasonably obtainable provided that the undervalue is less than £2m and the proposal enhances the environmental economic and social wellbeing of the area.

Section 123(2A) Local Government Act 1972 indicates that, a local authority may not dispose of land held by it without advertising its intention to do so in the local press.

In this case it is not currently proposed to dispose of the land other than at Best Consideration Reasonably Obtainable.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

Area or Ward Affected

Clacton Wards

PART 3 – SUPPORTING INFORMATION

BACKGROUND

For a number of years the Council has had a very strong demand for one and two bedroom accommodation/flats in the Tendring district. However our stock has dwindled and turnover of tenancies is very slow.

Officers have been exploring the market for possible purchases and such properties have become available. Identifying ex-Council properties that have been sold originally through the right to buy scheme, present value for money and are easier to maintain as their construction is known to the Building Services Team.

We are also mindful that when we own a block of flats that buying back sold properties would make general improvement works and day to day management a much easier process.

CURRENT POSITION

The Senior Tenancy Management Officer and the Senior Building Services Maintenance Surveyor have identified a potential property to determine suitability.

Authorisation is now required to enter into negotiations.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

None
