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| Key Decision Required: | No | In the Forward Plan: | No |
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PORTFOLIO HOLDER FOR CORPORATE FINANCE AND GOVERNANCE SERVICES

29th August 2019

A.1 INITIATION OF THE PROPERTY DEALING PROCEDURE: PURCHASE OF 6 D'Arcy House, Spendells Close, Walton on the Naze (Report prepared by Heidi Foster)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To consider whether to initiate the Council's Property Dealing Process for the potential purchase of 6 D'Arcy House, Walton on the Naze.

EXECUTIVE SUMMARY

6 D'Arcy House is currently for sale on the open market

The Council has capital receipts from Right to Buy sales and given our shortage of 2 bedroom flats in the Walton on the Naze area, purchasing this property would make an ideal purchase using these funds.

RECOMMENDATION(S)

That the Portfolio Holder initiates the property dealing process, in respect of the potential purchase of the house from the current owner (or similar alternative house 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 property carries a financial cost but would bring an additional dwelling 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 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

Walton on the Naze

PART 3 – SUPPORTING INFORMATION

BACKGROUND

For a number of years the Council has had a strong demand for two bedroom flats in the Walton area. However our stock has dwindled and turnover of tenancies is very slow.

Officers have been exploring the market for possible purchases and this property has become available. It is an ex council flat having been sold through the right to buy scheme. The Council still owns other properties in the block and as the design and construction are known to the Building Services team it makes a sensible proposition.

CURRENT POSITION

The Senior Tenancy Management Officer and the Building Services Manager have viewed the property via appointment with the agent in order to determine its suitability.

Authorisation is now required to enter into negotiations.

BACKGROUND PAPERS FOR THE DECISION

None

| APPENDICES |
|-------------------|
| None |