

Key Decision Required:	YES	In the Forward Plan:	YES
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## CABINET

### JOINT REPORT OF THE PORTFOLIO HOLDER FOR CORPORATE FINANCE & GOVERNANCE AND THE PORTFOLIO HOLDER FOR HOUSING

20 DECEMBER 2019

#### A.6 LEASEHOLD PURCHASE OF A RESIDENTIAL PROPERTY

(Report prepared by Heidi Foster)

##### PART 1 – KEY INFORMATION

###### PURPOSE OF THE REPORT

To seek approval from Cabinet for the leasehold purchase of a residential property in Walton.

###### EXECUTIVE SUMMARY

The proposal is to purchase the leasehold of a two bedroom first floor flat. The property is ex-Council owned and is being sold by the current owner.

TDC already own the nine other flats in the block and numerous others in the road. Buying back this property would make general improvement works and day to day management an easier process. In addition, for a number of years the Council has had a strong demand for two bedroom accommodation/flats.

In August 2019 Portfolio Holder approval was obtained to initiate the Council's Property Dealing Procedure, to obtain an independent valuation of the property and to negotiate a price with the owner.

The market valuation has now been obtained and negotiations with the owners have been completed satisfactorily, to enable the sale to be progressed to its conclusion.

The Part B report refers to the detail of negotiations.

###### RECOMMENDATIONS

**That Cabinet authorises the leasehold purchase of the property in principle, subject to its decision on terms and authorises the Deputy Chief Executive to enter in to a contract and transfer deed to complete the purchase of the property all as set out in the report in Part B of this agenda.**

**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.

Supporting the supply of affordable housing.

Managing 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 purchase will be 30% funded from capital receipts that have been generated from previous Right to Buy sales and in order to comply with capital receipt pooling regulations 70% will be funded from the Housing Revenue Account (HRA) New Build and Acquisitions fund.

**Risk**

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

**LEGAL**

In coming to decisions in relation to the 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.

Section 17 of the Housing Act 1985 provides the principal power for the acquisition of land for housing purposes, including land as a site for the erection of houses; this includes the power to acquire land for the purposes of disposing of the land to a person who intends to provide housing accommodation on it.

**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.

**Ward**

Walton

## **PART 3 – SUPPORTING INFORMATION**

### **BACKGROUND**

The proposal is to purchase the leasehold of a two bedroom first floor flat in Walton. The property is ex-Council owned and is being sold by the current owner. The owner has contacted the Housing Service and asked if we wish to buy back the flat.

For a number of years the Council has had a strong demand for two bedroom accommodation/flats in Tendring. However our stock has dwindled and turnover of tenancies is very slow. Identifying ex-Council properties that have been sold originally through the Right to Buy scheme can offer value for money and are easier to maintain as their construction is known to the Building Services Team.

TDC already own the nine other flats in the block and numerous others in the road. Buying back this sold property would make general improvement works and day to day management an easier process.

### **CURRENT POSITION**

The Housing Tenancy Management and Building Services Teams have viewed the property and carried out full assessment. In August 2019 Portfolio Holder approval was obtained to initiate the Property Dealing Process and an independent valuation has been undertaken.

### **FURTHER HEADINGS RELEVANT TO THE REPORT**

None

### **BACKGROUND PAPERS FOR THE DECISION**

None

### **APPENDICES**

None