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| Key Decision Required: | Yes | In the Forward Plan: | Yes |
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CABINET

19 FEBRUARY 2021

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

A.6 FREEHOLD PURCHASE OF TWO BUNGALOWS IN CLACTON

(Report prepared by Saira Mahboob, Tim R Clarke and Peter Russell)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To seek approval from Cabinet to agree, in principle, the freehold purchase of two two-bedroomed residential properties in Clacton from a developer in order to bring them into the Council's housing stock.

EXECUTIVE SUMMARY

The Council has a target to bring 200 additional homes into the council housing stock in order to meet rising demands for high quality, affordable housing in the district. These homes will be acquired or built via a range of approaches.

A development of new housing in Clacton has presented the Council with opportunity to purchase two brand new bungalows directly from the developer. The homes are designated as affordable homes, a requirement of the planning consent granted for the development, and as such are available to Council with a discount on the market value.

This is an exciting opportunity to add two new homes to the council housing stock to meet the needs of two families currently on the Housing Register.

The properties meet the criteria set out in the Council's Housing Acquisitions and Development Strategy that was approved late in 2020.

The terms of the purchase are set out in the Part B report.

RECOMMENDATION(S)

It is recommended that Cabinet:

- **Authorises, in principle, the freehold purchase of the two properties for inclusion into the Council's housing stock; and,**
- **Authorises, in principle, the Corporate Director for Operations and Delivery to enter into a contract and transfer deed to complete the purchase of the properties, subject to the Cabinet's decision to be taken later in the meeting (following the exclusion of the press and public) in respect of the related Part B report.**

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

Regenerating the District and improving deprived areas.

To provide affordable housing to the residents of Clacton and to add additional properties to the Council's own housing stock – working towards the 200 home target.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The properties are newly developed and are currently vacant.

The purchase of the properties carries a financial cost but will bring additional dwellings into the Housing Revenue Account that could immediately begin generating a return.

The purchase will be funded from the s106 Agreement capital receipts that have been generated 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. Further detail is set out in the Part B report.

Risk

Officers have not identified any significant risk associated with the proposals other than the risk associated with the Right to Buy – a financial risk that is inherent to all Council owned housing.

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.

Pursuant to Section 9 of the Housing Act 1985 ("the 85 Act"), a local housing authority may provide housing accommodation by acquiring houses. Section 24 of the 85 Act provides that the Council acting as a housing authority may make such reasonable charges as they may determine for the tenancy or occupation of their houses.

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.

Area or Ward Affected

St Johns Ward

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The properties are being delivered to the Council through a Section 106 agreement that was entered into by the developer for the provision of affordable housing on the site. The developer initially approached another registered provider, Chelmer Housing Partnership (CHP), to purchase the properties but CHP withdrew as their development pipeline was fully committed.

The properties are located in Clacton-on-Sea which is a priority area for acquisitions as set out in the Housing Acquisitions and Development Strategy adopted by Cabinet in October 2020. There are currently 105 households on the Housing Register in need of a two bedroom bungalow in Clacton-on-Sea.

CURRENT POSITION

Officers have inspected the properties, a Chartered Surveyor valuation has been obtained and a purchase price agreed.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

None