

Key Decision Required:	No	In the Forward Plan:	No
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16 June 2022

**A.1 INITIATION OF THE PROPERTY DEALING PROCEDURE:
PURCHASE OF A TWO BEDROOM HOUSE IN DOVERCOURT**
(Report prepared by Matthew Wicks)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To consider whether to initiate the Council’s Property Dealing Process for the outright potential purchase of a two bedroom shared ownership DIYSO house in Dovercourt.

EXECUTIVE SUMMARY

The Council has Section 106 and Right to Buy sale receipts and by purchasing the remaining 75% of this property we will be able to realise our original 25% share.

The property has scored high on the acquisition matrix which forms part of the Acquisitions and Developments Policy which was adopted by Cabinet in October 2020.

In order to fully explore this option the property dealing procedure must be initiated.

RECOMMENDATION(S)

That the Deputy Leader and Portfolio Holder for Corporate Finance and Governance initiates the property dealing process, in respect of the potential purchase of the remaining 75% share of the two bedroom house, 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.

Climate Impacts

The purchase of this property does not present a direct impact on the Council’s target for net zero greenhouse gas emissions from its business operations by 2030. It does however present an opportunity to improve the energy efficiency of the property as part of the refurbishment process and thereby reduce the greenhouse gas emissions generated by the eventual tenants. The aim will be to improve the energy performance of the property as much as reasonably possible

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The purchase of properties carries a financial cost but would bring an additional dwelling into the Housing Revenue Account that could immediately begin generating a return or the property can be sold outright, the sale proceeds will then be reinvested in an alternative property purchase.

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 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.

Area or Ward Affected

Harwich and Kingsway Ward

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The Council have a share in a dwindling number of shared ownership DIYSO properties and we are keen to realise the value held within them. The owner of this property has sadly died and the family have given us the option to buy out their 75% share.

CURRENT POSITION

The Development and Building Manager has visited the property and agrees that it is a suitable property to bring into the Council's housing stock.

Authorisation is now required to obtain a valuation and enter into negotiations.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

None