

Public Document Pack



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14 September 2017

Dear Councillor

NOTICE OF DELEGATED DECISION – (DD07 17) PURCHASE OF 23 FLORIDA CLOSE, DOVER

Please find attached details of a decision taken by Mr Mike Davis, Director of Finance, Housing and Community, to purchase a former Council house at 23 Florida Close, Dover which will be added to the Council's social housing stock.

As a non-Key Officer Decision, call-in does not apply (paragraph 18(a) of Part 4 (Rules of Procedure) of the Constitution).

Members of the public who require further information are asked to contact Kate Batty-Smith on 01304 872303 or by e-mail at kate.batty-smith@dover.gov.uk.

Yours sincerely

A handwritten signature in cursive script that reads "Kate Batty-Smith". Below the signature is a short horizontal line.

Democratic Support Officer

ENCL

1 **(DD07 17) - PURCHASE OF FLORIDA CLOSE, DOVER** (Pages 2-5)

Decision Notice

Delegated Decision

Decision No:	DD07
Subject:	PURCHASE OF 23 FLORIDA CLOSE, DOVER
Notification Date:	14 September 2017
Implementation Date:	14 September 2017
Decision taken by:	Mike Davis, Director of Finance, Housing and Community
Delegated Authority:	Authority delegated by Cabinet at its meeting held on 1 March 2017 (CAB 155 (iii) (C) to: 'Delegate to the Director of Finance, Housing and Community, in consultation with the Portfolio Holder for Corporate Resources and Performance, approval of offers, tenders or bids for the purchase of properties on the open market or at auction, in order to respond to market opportunities'.
Decision Type:	Executive Non-Key Decision
Call-In to Apply?	No (<i>Call-in does not apply to Non-Key Officer Decisions</i>)
Classification:	Unrestricted
Reason for the Decision:	A former Council house at 23 Florida Close, Dover has come onto the market. A decision is necessary in order to take advantage of the opportunity to purchase the property which will add to the Council's social housing stock.
Decision:	To purchase 23 Florida Close, Dover.

1. **Consideration and Alternatives** (*if applicable*)
 - 1.1 See attached report.
2. **Any Conflicts of Interest Declared?**
 - 2.1 None.
3. **Supporting Information** (*as applicable*)
 - 3.1 See attached report.

Subject:	PURCHASE OF 23 FLORIDA CLOSE, DOVER
Date:	14 September 2017
Decision to be taken by:	Mike Davis, Director of Finance, Housing and Community
Report of:	Paul Whitfield, Head of Strategic Housing
Portfolio Holder:	Councillor Pauline Beresford, Portfolio Holder for Housing, Health and Wellbeing
Decision Type:	Executive Non-Key Decision
Classification:	Unrestricted
Delegated Authority:	Authority delegated by Cabinet at its meeting held on 1 March 2017 (CAB 155 (iii) (C) to: ‘Delegate to the Director of Finance, Housing and Community, in consultation with the Portfolio Holder for Corporate Resources and Performance, approval of offers, tenders or bids for the purchase of properties on the open market or at auction, in order to respond to market opportunities’.
Purpose of the report:	To purchase 23 Florida Close, Dover
Recommendation:	To purchase 23 Florida Close, Dover

1. Summary

- 1.1 The Council approved a recommendation within the Budget 2015/16 and Medium Term Financial Plan 2015/16–2017/18 to purchase properties through normal sale/negotiation, submission of bids or bids at auction as and when they arose, subject to them representing good value for money.
- 1.2 A former Council property at 23 Florida Close has become available on the market and a decision has been made to purchase it.

2. Introduction and Background

- 2.1 The Council’s Budget 2015/16 and Medium Term Financial Plan 2015/16–2017/18 report recognised that market opportunities to purchase properties through normal sale/negotiation, submission of bids or bids at auction were likely to arise, often at short notice, and that the Housing Initiatives Reserve (HIR) within the Housing Revenue Account (HRA) could be applied to these opportunities where they represent good value for money or otherwise improve the housing stock.
- 2.2 On the basis of this, Cabinet agreed to delegate to the Director of Finance, Housing and Community, in consultation with the Portfolio Holder for Corporate Resources and Performance, approval of offers, tenders or bids for the purchase of properties on the open market or at auction, in order to respond to market opportunities.
- 2.3 23 Florida Close is a two-bedroom flat that was purchased from the Council under the ‘Right to Buy’ scheme. The property recently came onto the market at a sale price of £105,000. Officers from the Council’s Property Services Team carried out a survey of the flat and confirmed that it would meet the Council’s requirements.

Agreement was subsequently obtained from the Portfolio Holder for Corporate Resources and Performance to make an offer. An offer of £96,000 was subsequently made and accepted by the vendor. It is considered that the price offered represents good value for money and a decision has been taken to proceed with its purchase. Completion of the purchase took place in July 2017.

2.4 Once purchased the intention is to let the property.

3. **Identification of Options**

3.1 Option 1: To purchase 23 Florida Close, Dover

3.2 Option 2: Not to purchase 23 Florida Close, Dover

4. **Evaluation of Options**

4.1 Option 1 is the recommended option. The purchase price represents good value for money compared to the cost of a new build property and will increase the stock of housing the Council can use to meet housing need.

4.2 Option 2 is not recommended as it fails to take advantage of a good opportunity to increase the housing stock to help meet housing need.

5. **Resource Implications**

5.1 The cost of purchasing the property will be met from a combination of HIR funds and the excess 'Right to Buy' (RTB) receipts which are ring-fenced for 'one for one' affordable housing replacement. This will help ensure we maximise the spend of RTB receipts before their 'use by' date. The rental income from the property will be paid to the HRA.

5.2 It is expected that the property will generate a gross rent income of at least £4,000 per annum and on this basis the investment should be repaid within 25 years.

6. **Corporate Implications**

6.1 Comment from the Section 151 Officer: Accountancy have been consulted throughout the process and have no further comments to make (BW)

6.2 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make.

6.3 Comment from the Equalities Officer: This report does not specifically highlight any equalities implications however, in discharging their responsibilities, Members are required to comply with the public sector equality duty as set out in section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>

6.4 Other Officers (as appropriate): None received.

7. **Appendices**

None.

8. **Background Papers**

None.

Contact Officer: Paul Whitfield, Head of Strategic Housing