

Public Document Pack



Democratic Services
White Cliffs Business Park
Dover
Kent CT16 3PJ

Telephone: (01304) 821199
Fax: (01304) 872453
DX: 6312
Minicom: (01304) 820115
Website: www.dover.gov.uk
e-mail: democraticservices@dover.gov.uk

31 January 2019

Dear Councillor

NOTICE OF DELEGATED DECISIONS – (DD22 & DD23 18) PURCHASE OF PROPERTIES IN DOVER

Please find attached details of decisions taken by Mr Mike Davis, Strategic Director (Corporate Resources) to purchase properties at 37 Harold Street and 53 Beaufoy Road, Dover.

As non-Key Officer Decisions, 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 democraticservices@dover.gov.uk.

Yours sincerely

A handwritten signature in cursive script that reads "Kate Batty-Smith".

Democratic Services Officer

ENCL

1 **NOTICE OF DELEGATED DECISIONS - (DD22 & DD23 18) PURCHASE OF PROPERTIES IN DOVER** (Pages 2-9)

Decision Notice

Delegated Decision

Decision No:	DD22
Subject:	PURCHASE OF 37 HAROLD STREET, DOVER
Notification Date:	31 January 2019
Implementation Date:	3 January 2019
Decision taken by:	Mike Davis, Strategic Director (Corporate Resources)
Delegated Authority:	Authority delegated by Cabinet at its meeting held on 5 February 2018 (CAB 139(c)(v)) to: 'Director of Finance, Housing and Community, in consultation with the Portfolio Holder for Corporate Resources and Performance, the power to acquire freehold or leasehold residential properties and to agree terms and conditions in connection therewith'.
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 flat at 37 Harold Street, 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 37 Harold Street, 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*)
4. See attached report.

Subject: PURCHASE OF 37 HAROLD STREET, DOVER

Date: 3 January 2019

Decision to be taken by: Mike Davis, Strategic Director (Corporate Resources)

Report of: Rebecca Champion, Valuation Officer

Portfolio Holder: Councillor Michael Conolly, Portfolio Holder for Corporate Resources and Performance

Decision Type: Executive Non-Key Decision

Call-in to be suspended: No (*Call-in does not apply to Non-Key Officer Decisions*)

Classification: Unrestricted

Delegated Authority: Authority delegated by Cabinet at its meeting held on 5 February 2018 (CAB 139(c)(v)) to: ‘Director of Finance, Housing and Community, in consultation with the Portfolio Holder for Corporate Resources and Performance, the power to acquire freehold or leasehold residential properties and to agree terms and conditions in connection therewith’.

Purpose of the report: A former Council flat at 37 Harold Street, Dover recently came 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.

Recommendation: To purchase 37 Harold Street, Dover

1. Summary

At its meeting held on 1 March 2017, Cabinet agreed that the Director of Finance, Housing and Community, now the Strategic Director (Corporate Resources), should be authorised to purchase properties on the open market or at auction, in consultation with the Portfolio Holder for Corporate Resources and Performance, providing they represent good value for money. This was affirmed when Cabinet approved the draft Council budget and Medium-Term Financial Plan on 5 February 2018.

- 1.1 The former Council property, 37 Harold Street, has become available on the market and it is considered that the Council should attempt to purchase it.

2. Introduction and Background

- 2.1 The Council (and Cabinet) 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 arise, subject to them representing good value for money or otherwise improving the housing stock. On the basis that market opportunities to purchase these properties are likely to arise at short notice, Cabinet also agreed in March 2017 to delegate to the Director of Finance, Housing and Community, now the Strategic Director

(Corporate Resources), in consultation with the Portfolio Holder for Corporate Resources and Performance, the approval of offers, tenders or bids for the purchase of properties on the open market or at auction.

- 2.2 This was affirmed by Cabinet on 5 February 2018 when, in approving the draft Council budget 2018/2019 and Medium Term Financial Plan 2018/19-2021/22, Cabinet agreed to:-

“Delegate to the Director of Finance, Housing and Community, in consultation with the Portfolio Holder for Corporate Resources and Performance, the power to acquire freehold or leasehold residential properties and to agree terms and conditions in connection therewith.”

- 2.3 37 Harold Street is a 2-bedroom flat that was purchased from the Council under the ‘Right to Buy’ (RTB) scheme. The property recently came onto the market and an officer from the Council’s Property Services Team carried out a survey of the property and confirmed it would meet the Council’s requirements. Following consultation with the Portfolio Holder for Corporate Resources and Performance, an offer of £140,000 was made and subsequently accepted by the vendor. The Estate Valuation Manager considers the price offered represents good value for money. Once purchased the intention is to let the property.
- 2.4 The cost of purchasing the property will be met from a combination of Housing Initiative Reserve (HIR) funds (within the Housing Revenue Account (HRA)) and excess RTB receipts which are ring-fenced for ‘one for one’ affordable housing replacement. This will help to ensure that the Council maximises the expenditure of RTB receipts before their ‘use by’ date. The rental income from the property will be credited to the Housing Revenue Account (HRA).

3. Identification of Options

- 3.1 Option 1: To purchase 37 Harold Street, Dover
- 3.2 Option 2: Not purchase 37 Harold Street, 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 Council’s Housing stock 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 receipts which are ring-fenced for ‘one for one’ affordable housing replacement. This will help to ensure that the Council maximises the expenditure of RTB receipts before their ‘use by’ date. The rent income from the property will be credited to the HRA.
- 5.2 It is expected that the property will generate a gross rental income of £4,528.16 per annum and on this basis the investment should be repaid within 31 years.

6. **Corporate Implications**

- 6.1 Comment from the Section 151 Officer: “Accountancy has been consulted in the writing of this report and have no further comment to make (AC)”
- 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 equality implications however in discharging their duties 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**

Relevant papers on file

Contact Officer: Rebecca Champion, Valuation Officer

Decision Notice

Delegated Decision

Decision No: DD23

Subject: PURCHASE OF 53 BEAUFOY ROAD, DOVER

Notification Date: 31 January 2019

Implementation Date: 3 January 2019

Decision taken by: Mike Davis, Strategic Director (Corporate Resources)

Delegated Authority: Authority delegated by Cabinet at its meeting held on 5 February 2018 (CAB 139(c)(v)) to: 'Director of Finance, Housing and Community, in consultation with the Portfolio Holder for Corporate Resources and Performance, the power to acquire freehold or leasehold residential properties and to agree terms and conditions in connection therewith'.

Decision Type: Executive Non-Key Decision

Call-In to Apply? No (*Call-in does not apply to Non-Key Officer Decisions*)

Classification: Unrestricted

Reason for the Decision: A former Council flat at 53 Beaufoy Road, 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 53 Beaufoy Road, 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*)
4. See attached report.

Subject:	PURCHASE OF 53 BEAUFOY ROAD, DOVER
Date:	3 January 2019
Decision to be taken by:	Mike Davis, Strategic Director (Corporate Resources)
Report of:	Rebecca Champion, Valuation Officer
Portfolio Holder:	Councillor Michael Conolly, Portfolio Holder for Corporate Resources and Performance
Decision Type:	Executive Non-Key Decision
Classification:	Unrestricted

Delegated Authority: Authority delegated by Cabinet at its meeting held on 5 February 2018 (CAB 139(c)(v)) to: ‘Director of Finance, Housing and Community, in consultation with the Portfolio Holder for Corporate Resources and Performance, the power to acquire freehold or leasehold residential properties and to agree terms and conditions in connection therewith’.

Purpose of the report: A former Council flat at 53 Beaufoy Road, Dover recently came 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.

Recommendation: To purchase 53 Beaufoy Road, Dover.

1. Summary

- 1.1 At its meeting held on 1 March 2017, Cabinet agreed that the Director of Finance, Housing and Community, now the Strategic Director (Corporate Resources), should be authorised to purchase properties on the open market or at auction, in consultation with the Portfolio Holder for Corporate Resources and Performance, providing they represent good value for money. This was affirmed when Cabinet approved the draft Council budget and Medium-Term Financial Plan on 5 February 2018.
- 1.2 The former Council property, 53 Beaufoy Road, has become available on the market and it is considered that the Council should attempt to purchase it.

2. Introduction and Background

- 2.1 The Council (and Cabinet) 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 arise, subject to them representing good value for money or otherwise improving the housing stock. On the basis that market opportunities to purchase these properties are likely to arise at short notice, Cabinet also agreed in March 2017 to delegate to the Director of Finance, Housing and Community, now the Strategic Director (Corporate Resources), in consultation with the Portfolio Holder for Corporate Resources and Performance, the approval of offers, tenders or bids for the purchase of properties on the open market or at auction.

- 2.2 This was affirmed by Cabinet on 5 February 2018 when, in approving the draft Council budget 2018/2019 and Medium Term Financial Plan 2018/19-2021/22, Cabinet agreed to:-

“Delegate to the Director of Finance, Housing and Community, in consultation with the Portfolio Holder for Corporate Resources and Performance, the power to acquire freehold or leasehold residential properties and to agree terms and conditions in connection therewith.”

- 2.3 53 Beaufoy Road is a 1-bedroom flat that was purchased from the Council under the ‘Right to Buy’ (RTB) scheme. The property recently came onto the market and an officer from the Council’s Property Services Team carried out a survey of the property and confirmed it would meet the Council’s requirements. Following consultation with the Portfolio Holder for Corporate Resources and Performance, an offer of £95,000 was made and subsequently accepted by the vendor. The Estate Valuation Manager considers the price offered represents good value for money. Once purchased the intention is to let the property.
- 2.4 The cost of purchasing the property will be met from a combination of Housing Initiative Reserve (HIR) funds (within the Housing Revenue Account (HRA)) and excess RTB receipts which are ring-fenced for ‘one for one’ affordable housing replacement. This will help to ensure that the Council maximises the expenditure of RTB receipts before their ‘use by’ date. The rental income from the property will be credited to the Housing Revenue Account (HRA).

3. Identification of Options

- 3.1 Option 1: To purchase 53 Beaufoy Road, Dover
- 3.2 Option 2: Not purchase 53 Beaufoy Road, 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 Council’s Housing stock 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 receipts which are ring-fenced for ‘one for one’ affordable housing replacement. This will help to ensure that the Council maximises the expenditure of RTB receipts before their ‘use by’ date. The rent income from the property will be credited to the HRA.
- 5.2 It is expected that the property will generate a gross rental income of £3,688.88 per annum and on this basis the investment should be repaid within 26 years.

6 Corporate Implications

- 6.1 Comment from the Section 151 Officer: “Accountancy has been consulted in the writing of this report and have no further comment to make (AC).”

- 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 equality implications however in discharging their duties 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**

Relevant papers on file.

Contact Officer: Rebecca Champion, Valuation Officer