

## Decision under Delegated Powers

### Officer Making the Decision

Katie Moore - Head of Strategic Housing

### Recommendation

Approval for acquisition of 6 x properties on the Jubilee Rise development in Shepshed, to be owned and managed within the Housing Revenue Account.

### Reason

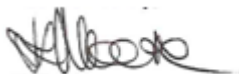
To increase the council's housing stock and contribute to meeting the need for affordable homes for rent within the borough.

### Authority for Decision

Section 8.3, of the Constitution gives delegated authority to the Head of Strategic Housing to acquire additional properties for rent via the HRA where approved funding exists within the Capital Plan for the relevant financial year, and where any property acquired is subject to a Condition Survey, an Independent Valuation, Standard Legal checks, and meets identified housing needs (item 23 on page 8-31).

The Agreement is to be executed as a Deed by affixing the Council's Common Seal.

### Decision and Date



Katie Moore  
Head of Strategic Housing  
18/12/2024

## **Background**

6 x new build 4 bedroom houses on the Jubilee Rise development in Shepshed have been identified for sale on the open market:

- Plot number 14 – 14 Windmill View Shepshed LE12 9GW
- Plot number 15 – 12 Windmill View Shepshed LE12 9GW
- Plot number 26 – 7 Windmill View Shepshed LE12 9GW
- Plot number 27 – 9 Windmill View Shepshed LE12 9GW
- Plot number 29 – 15 Windmill View Shepshed LE12 9GW
- Plot number 30 – 17 Windmill View Shepshed LE12 9GW.

There is a need for additional affordable rental properties within the borough, and a limited supply of affordable rental properties within the council's existing housing stock (particularly of this type and size). The acquisition of the properties will increase the council's housing stock and contribute to meeting the need for affordable rental properties within the borough.

An assessment of property condition and costs has been completed to confirm that the acquisitions represent value for money. The provision of additional non-standard specification items has been agreed to ensure the properties meet the council's letting standard. As the properties are newly built in line with current standards, it is anticipated that they will have lower lifetime maintenance costs than the majority of the existing properties within the council's housing stock.

Independent valuations have been obtained. Legal checks have been satisfactorily completed and no areas of concern have been identified. The properties will be subject to a Defects Liability Period and covered by a warranty.

The properties are expected to be completed and ready for hand over in December 2024. The properties will be owned and managed under the Housing Revenue Account and let at social rent levels.

The acquisitions have been discussed with the following council officers:

- Peter Oliver, Director of Housing and Wellbeing
- Rob Mitchell, Chief Executive.

## **Financial Implications**

The total cost to the council relating to the acquisition of the 6 x properties is expected to be £1,658,022:

- £1,635,000 total purchase prices
- £15,222 total non-standard specification items
- £7,800 total fees (not including VAT).

The breakdown of purchase prices (each unit) is as follows:

- £272,500.00 - plot 14 - 4 bedroom semi-detached house
- £272,500.00 - plot 15 - 4 bedroom semi-detached house
- £272,500.00 - plot 26 - 4 bedroom semi-detached house
- £272,500.00 - plot 27 - 4 bedroom semi-detached house
- £272,500.00 - plot 29 - 4 bedroom semi-detached house
- £272,500.00 - plot 30 - 4 bedroom semi-detached house.

The breakdown of non-standard specification item costs (across all units) is as follows:

- £3,780.00 - turfing to rear gardens
- £696.00 - external taps
- £8,622.00 - non-slip flooring
- £558.00 - curtain rails
- £1,566.00 - shelving.

The breakdown of fees (across all units, not including VAT) is as follows:

- £1,500.00 - project management
- £300.00 - valuation
- £6,000.00 - legals.

The acquisitions will be funded as follows:

- 2 x properties (plots 14 and 15) total cost of £552,674:
  - £114,000.00 receipt from the disposal and sale of a council dwelling property in November 2024
  - £438,674.00 receipts from sales of council dwelling properties to tenants under the Right to Buy.
- 4 x properties (plots 26, 27, 29 and 30) total cost £1,105,348:
  - £602,976.67 of Local Authority Housing Fund Round 3 grant awarded for acquisition of properties between 2024/2025 and 2025/2026
  - £502,371.33 of available S106 sums received for the provision of affordable housing within the borough.

There is an ongoing annual service charge of £238.00 per property to the site management company for maintenance. This will be funded by the Housing Revenue Account.

### **U Mistry 11/12/24**

There are no additional financial implications, the acquisitions are to be coded as follows in the current Capital Plan 2024/25 to 2026/27:-

- £552,674 to Z760 Z0101 – Acquisition of Affordable Housing to meet housing need.
- £1,105,348 to Z851 Z0101 – Acquisition of Dwellings – S106 & Local Authority Housing Fund.

### **Risk Management**

No specific risks have been identified with this decision.

### **Key Decision**

Yes - however exempted from call-in (see agenda item 14 Full Council meeting dated 6<sup>th</sup> November 2017).

### **Background Papers**

- DD258 2024 – Release of Section 106 monies
- Housing Acquisition Policy - approved by Cabinet May 2018; reviewed and updated June 2019; reviewed and updated September 2021; reviewed and updated July 2024.