

**DECISION TAKEN BY OFFICER UNDER SECTION 13 OF THE LOCAL
AUTHORITIES EXECUTIVE ARRANGEMENT REGULATIONS 2012**

Officers: Kerry Ruff, Strategic Housing & Private Sector Manager
Phil Hornsby, Head of Housing & Community Services

Service Unit: Housing & Community Services

Date of Decision: 11/3/19

Title: Grant investment to facilitate buyback of an ex Council Housing property
(8 Hamilton Crescent, Poole)

Decision(s) Taken: Decision taken by Phil Hornsby, Service Unit Head after to use £98,240.88 of s106 funds collected to use towards affordable housing in order to facilitate the buyback of an ex council property.

Threshold Trigger:

- (i) **Decision taken to help increase affordable housing stock in consultation with PHP.**

Reason for the Decision:

This property is offered to the HRA as a right of first refusal. Residents who applied for Right to Buy on or after 18 January 2005 are required to offer the property back to the former landlord (Borough of Poole) should they wish to sell within the first 10 years from the date of purchase. This allows for properties which were previously sold under RtB to revert back to Social Housing where the need exists.

This property is a 4-bedroom property which could be used to house a large family. The HRA owned 4,517 properties at 31 March 2018 and only 109 of these were 4-bedroom properties (2.4%). There is a high level of demand for this type of property and re-purchase ensures a fair price is paid to the owner who wishes to sell without undue delay.

Previously owned housing stock is attractive to the HRA as properties are largely situated close to other HRA stock, which makes managing the property easier. PHP will also have prior knowledge of the stock, or similar stock which brings benefits in terms of maintenance issues.

Properties offered to the HRA under right of first refusal undergo financial tests to assess whether the repurchase would generate a profit or loss to the HRA over a 30-year period. In order to make this assessment a valuation of purchase price is obtained and rental income and running costs are set against the cost of purchase. Any property that is assessed as returning a loss to the HRA over the 30-year period would then normally be rejected.

Financial Assessments are carried out on all properties offered to the HRA as right of first refusal to ensure that the net income stream over 30 years is higher than the required capital investment. For this property the financial assessment was based on the purchase price of £280,000. The 30 year rental income was £207,724.71 (based on a weekly rent of £113.58 for 48 weeks) and the running costs were £25,965.59 resulting in a loss to the HRA of £98,240.88 and therefore the re-purchase would normally be rejected, however there are a significant number of large families in temporary accommodation or on the waiting list, so repurchase would help to reduce this waiting list \ temporary accommodation costs so in this situation it is appropriate to consider other options that may make the repurchase viable, such as other funding streams available to support the delivery of affordable housing e.g. section 106 \ CIL funding.

Declaration of Interest(s), to include:

None.

Report/Information Considered:

The decision was taken after reviewing the financial implications.

Alternatives Considered:

Only other option was to decline the buyback opportunity however 4 bed room properties are in short supply within the local social housing stock.

Budget Implications:

A commitment to use s106 money that has already been collected to use towards the delivery of affordable housing. The commitment has been accrued for.

Signed:



Phil Hornsby

Head of Housing and Community Services

Dated: 15.3.19