

<b>SUBJECT:</b>	<b>ACQUISITION POLICY ADDENDUM</b>
<b>DIRECTORATE:</b>	<b>DIRECTORATE OF HOUSING AND INVESTMENT</b>
<b>REPORT AUTHOR:</b>	<b>ANDREW MCNEIL, ASSISTANT DIRECTOR OF HOUSING INVESTMENT AND STRATEGY</b>

## **1. Purpose of Report**

- 1.1 Since the implementation of the Council's Acquisition Policy in June 2019, it has become apparent that a more streamlined process for the acquisition of private dwellings which are not former local authority dwellings, but are of strategic importance to the Council, is required. In addition, now the Policy is in use, minor changes to the acquisition process are required, prior to submission to Executive on 23 September 2019, this report seeks this Committee's views on the proposed amendments.

## **2 Background**

- 2.1 The Acquisition Policy was approved on the 28<sup>th</sup> May 2019 and became policy in June 2019. To date the policy has facilitated the purchase of six former council dwellings under delegated authority, with a further eight former council dwellings progressing through conveyancing. Subject to a few minor modifications, the process of purchasing former council dwellings is working well, however, it has become apparent that a more streamlined approach is required to buy dwellings which have never been part of the Council's housing stock, yet would meet a strategic housing need. At present this requires a business case for individual properties to be presented to the Council's Executive Committee for approval unless an urgent decision is required in which case Executive delegations are in place to the 'virtual' Asset Management Group. This process can be prohibitive as potential purchases can be lost due to the additional time required.

## **3 Proposed Amendments to Section 3 and Section 4 of the Acquisition Policy**

- 3.1 In order to streamline the process of acquiring dwellings which have never been part of the Council's housing stock, it is proposed that these acquisitions are made in-line with the existing approach of acquiring former council dwellings. In addition, minor amendments to the process are proposed. All proposed changes are set out below.

### **Section 3 Criteria for Acquisition of former council homes and other individual dwellings to meet strategic need.**

The following process for the acquisition of individual private properties, including former council homes will be adopted:-

- The Housing Strategy Team (HS) undertake property searches to identify potential acquisitions and consider properties previously sold under the Right to Buy where the Right of First Refusal is applicable.
- HS organise and coordinate a joint viewing inspections with the Housing Repair Service and for properties identified as suitable for acquisition property services are instructed to provide a valuation.
- HS assess the valuation and repair costs and if considered value for money will make an offer, subject to contract, of an amount no more than the valuation. On acceptance of the offer HS prepare a business case which includes the valuation, acceptance offer, estimated repair cost, rent and Stamp Duty Land Tax. The business case will be assessed by Finance as to its viability.
- Following advice and assessment by Finance, final approval for the acquisition is made by the Director of Housing and Investment under delegated authority. Once all approvals are in place, Legal Services are instructed by HS to undertake the conveyancing.
- On completion, the acquisition becomes part of the Council's HRA stock and void works are undertaken to enable the property to be let.

3.2 The policy lists all factors to be considered by HS when identifying a property, an amendment to the list has been made to clarify that, with the exception of former council flats, all properties acquired by the Council will be freehold. In addition, unless there is an evidenced case to enable homeless prevention, all properties will be acquired with vacant possession.

3.3 With the proviso that the acquisition of all individual dwellings falls under Section 3 of the Policy, Section 4 is proposed to be amended as set out below:-

**Section 4 Criteria for the purchase of all other acquisitions ~~and private housing~~**

A business case for all acquisitions, other than covered by Section 3, this includes properties for demolition, properties to be remodelled as supported housing, properties bought off-plan or as a group of acquisitions and development land, but is not exhaustive, will need to be presented to Executive for approval unless an urgent decision is required, in which case Executive delegations are in place to the 'virtual' Asset Management Group.

**4. Recommendation**

To consider and approve the proposed minor policy and process amendments to the Acquisition Policy prior to Executive Committee.

**Is this a key decision?** No

**Do the exempt information categories apply?** No

**Does Rule 15 of the  
Scrutiny Procedure Rules  
(call-in and urgency) apply?**

Yes

**How many appendices does  
the report contain?**

None

**List of Background Papers:**

Acquisition Policy

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