

SUBJECT:	ACQUISITION POLICY ADDENDUM
DIRECTORATE:	HOUSING AND INVESTMENT
REPORT AUTHOR:	ANDREW MCNEIL, ASSISTANT DIRECTOR, HOUSING INVESTMENT AND STRATEGY

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, this report seeks the Executive's approval for the proposed amendments.

2. Background

- 2.1 The Acquisition Policy was approved on the 28th May 2019 and became policy in June 2019. To date the policy has facilitated the purchase of eight former council dwellings under delegated authority, with a further seven former council dwellings anticipated to be legally completed by the end of September 2019. 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 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.
- 2.2 The Acquisition Policy Addendum report was discussed and approved by Policy Scrutiny Committee on the 20th August 2019. The minutes of that meeting are attached at Appendix B.

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 assessment by Finance, approval from the Section 151 Officer, or their nominated deputy, is required to proceed with the acquisition under delegated authority, final approval for the acquisition is made by the Director of Housing and Investment, or their nominated deputy, 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 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.

Acquisitions, other than covered by Section 3, will include properties for demolition, properties to be remodelled as supported housing, properties bought off-plan or as a group of acquisitions and development land. This is not an exhaustive list of properties or sites.

4. Corporate Priorities

4.1 Let's Provide Quality Housing

The acquisition of properties and development land will help meet Lincoln's housing need now and in the future.

5. Organisational Impacts

5.1 Finance

For every property the Housing Strategy team will 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.

5.2 Legal Implications including Procurement Rules

The Council's Legal Services Team will undertake conveyancing work, the cost of which would be contained within existing HRA resources.

5.3 Land, Property and Accommodation

The Housing Repair Service and Housing Strategy & Investment team would carry out an inspection of any property being considered for purchase to determine any costs that may be incurred to bring the property up to the Lincoln Homes Standard.

6. Recommendation

For Executive to consider and approve the proposed minor policy and process amendments to the Acquisition Policy.

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? Two

List of Background Papers: Acquisition Policy

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