

Report to Council
25 June 2013
Report of Head of city development services
Subject Purchase of new build housing for social rent

Item

11

Purpose

The purpose of this report is to ask Council to make the appropriate budget provision for the purchase of 23 new build properties as approved at the 12 June Cabinet 2013 meeting, which will be owned and managed by the council and let at social rent levels to applicants through our choice-based lettings scheme.

Recommendation

To approve the inclusion of £1,770,000 for the purchase of 23 new build homes in the 2013/14 capital plan and programme.

Corporate and service priorities

The report helps to meet the corporate priority “Decent housing for all” and the service plan priority to bring forward new build housing development for the council.

Financial implications

The purchase of 23 new council dwellings will require a total budget provision of up to £1,770,000 from the 2013/14 housing capital budget. These costs can be funded through the use of Right to Buy receipts (up to 30%), Housing Revenue Account (HRA) borrowing against the rents for the new dwellings, receipts from disposal of assets uneconomic to maintain or a combination of these and additional HRA headroom.

Ward/s: Town Close

Cabinet member: Cllr Stonard – Environment, Development and Transport

Contact officers

Debbie Gould
Paul Swanborough

01603 212851
01603 212388

Background documents

None

Report

1. The 12 June 2013 Cabinet considered an exempt report recommending the purchase of new build housing for social rent. Specifically Cabinet agreed:
 - (1) To the purchase of 23 new council dwellings at social rent on land at Brazengate, off Southwell Road, subject to planning consent and detailed contract negotiation;
 - (2) To note that council's approval will be required for inclusion of £1,770,000 for this purchase in the 2013/14 capital plan and programme;
 - (3) To accept the provision by the developer of five shared equity properties; and
 - (4) To delegate to the deputy chief executive (operations) to take all necessary and ancillary steps to achieving the above.
2. Accordingly, Council's consent is now being sought for inclusion of the £1,770,000 in the 2013/14 capital plan and programme.

Integrated impact assessment



NORWICH
City Council

Report author to complete

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|-------------------------|--|
| Committee: | Council |
| Committee date: | 25 June 2013 |
| Head of service: | Andy Watt |
| Report subject: | Purchase of new build housing for social rent |
| Date assessed: | 17 May 2013 |
| Description: | To approve, and make provision in the capital plan and programme for, the purchase of 23 new homes at Brazen Gate. |

| | Impact | | | |
|--|-------------------------------------|-------------------------------------|--------------------------|--|
| Economic (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Finance (value for money) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Provision of more council homes will improve overall affordability of the housing stock. The properties are approximately 25% cheaper to purchase than to build on council land. This represents a prudent use of financial resources to meet corporate priorities |
| Other departments and services e.g. office facilities, customer contact | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| ICT services | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Economic development | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Providing more housing is important in supporting sustainable economic growth and prosperity. |
| Financial inclusion | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Providing additional social rented housing will advance financial inclusion by helping to improve housing affordability |
| Social (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Safeguarding children and adults | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Providing more council homes to meet changing needs will increase available accommodation for vulnerable adults and children. |
| <u>S17 crime and disorder act 1998</u> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Human Rights Act 1998 | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |

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|--|-------------------------------------|-------------------------------------|--------------------------|--|
| | Impact | | | |
| Health and well being | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | The provision of sufficient and decent quality housing is essential to ensuring decent levels of health and well being |
| Equality and diversity (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Relations between groups (cohesion) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Eliminating discrimination & harassment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Advancing equality of opportunity | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Environmental (please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |
| Transportation | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Natural and built environment | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Waste minimisation & resource use | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Pollution | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Sustainable procurement | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| Energy and climate change | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | |
| (Please add an 'x' as appropriate) | Neutral | Positive | Negative | Comments |

| | Impact | | | |
|------------------------|--------------------------|--------------------------|-------------------------------------|---|
| Risk management | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | The new homes will be subject to the Right to Buy which represents a risk to the council. Contractual risks will be mitigated through the employment of a an Employees Agent. |

Recommendations from impact assessment

Positive

Overall the project will provide more council homes which will improve overall affordability of the housing stock. The investment priorities represent a prudent use of financial resources to meet corporate priorities.

Negative

The Right to Buy is a risk that can be mitigated through the council applying to DCLG to retain the receipts from the sale of any new build dwelling and the 'cost floor' which allows the council to recover the costs of purchasing, building, repairing or maintaining the dwelling for a period of 15 years.

Neutral

Issues