

Ref:

Called in

Yes/No

THE THANET DISTRICT COUNCIL

RECORD OF DECISION OF CABINET

Cabinet Member

Councillor Rev. Stuart Piper

Relevant Portfolio:

Cabinet Member for Housing and Open Spaces

Date of Decision:

25 October 2017

Subject:

New Build Acquisition Programme

Key Decision

No

In Forward Plan

Yes

Brief summary of matter:

It is proposed that Thanet District Council introduce an acquisitions programme to purchase properties which will be rented to households in housing need at an affordable rent.

A budget of £2.13m has been identified and it is anticipated that this will fund a programme of acquiring 10-12 dwellings.

The funding includes £630k of ring-fenced right to buy receipts together with £1.5m from the Housing Revenue Account Capital Programme.

Decision made:

Cabinet agreed the following:

1. To the principles set out in this report for an initial acquisition programme of approximately 10-12 homes;
2. To allocate £630k of Right to Buy 1-4-1 receipts, together with HRA match funding of £1.5m to fund the programme;
3. To delegate authority to Head of Housing, to complete the acquisition of new homes within the programme.

Reasons for decision:

The reasons for this are set out in the report and include:

1. Additional homes for affordable rent are needed to help households in housing need in the district;
2. Ring-fenced Right to Buy receipts are available to fund up to 30% of the cost of providing affordable homes. Match funding is available for the Housing Revenue Account Capital Programme;
3. Ring-fenced Right to Buy receipts have to be returned to Government within interest if not spent within 3 years of receipt.

Alternatives considered and why rejected:

The following alternatives were considered:

1. TDC provide match funding from the HRA and utilise the 1-4-1 receipts to provide affordable homes. This could either be by:
 - a. Acquiring existing homes, either new directly from a developer or from the existing private housing stock, or
 - b. Building new affordable homes.
2. Use the 1-4-1 receipts to provide grant funding to a Registered Provider (Housing Association) to provide affordable homes;
3. Return the RTB receipts to central government with interest at base rate + 4%.

These options were rejected because it was agreed to set up an acquisitions programme for the following reasons:

- a. It will retain 1-4-1 receipts to provide affordable homes in the district.
- b. Housing Revenue Account Funding is available, and match funding will help to ensure effective use of the available resources.

An acquisitions programme will provide new affordable homes more quickly than other options.

Details of any conflict of interest declared by any executive Member who has been consulted and of any dispensation granted by the Standards Committee:

None

Author of Officer report:

Bob Porter

Background papers

Cabinet paper (v2) 20 09 17

Statement if decision is an urgent one and therefore not subject to call-in:

None

Last date for call in: 2 November 2017