

PORTFOLIO HOLDER DECISION RECORD SHEET

Name of decision maker:	Cllr Margaret Griffiths Portfolio Holder for Housing
Portfolio:	Housing
Date of Portfolio Holder Decision:	22 May 2013

Title of Decision:	To approve the acquisition of 9 Stromer Close from Hightown Praetorian & Churches Housing Association.
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Decision made and reasons:	
To approve the acquisition of 9 Stromer Close, Hemel Hempstead from Hightown Praetorian & Churches Housing Association for £99,000 as per the most up to date RICS Red Book Valuation, undertaken by Allied Surveyors on the 1 st March 2013.	
Reports considered: Valuation of 9 Stromer Close, Allied Surveyors, 1st March 2013	
Officers/Councillors/Ward Councillors/Stakeholders Consulted: Corporate Director for Housing and Regeneration Assistant Director Housing Group Manager Strategic Housing	
Monitoring Officer comments: There are no adverse legal implications for the Council in proceeding with this purchase. The leasehold interest in the property will simply merge into the Council's freehold interest and the Council will be free to use the property in conjunction with its housing function.	
Deputy S151 Officer Comments: There are sufficient capital funds approved within the Affordable Housing Development Fund to finance this proposal.	
Implications:	This property is within an HRA managed block of flats. The Council has been offered the first refusal to buy back this unit, originally offered at £105k, but revised to £99k upon the Council's valuation. If the Council does not exercise its option to acquire, this property will be sold on the open market.

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Risk: With 7,000 households on the Council's housing waiting list, it is not considered a risk to acquire this unit.

Value for Money: This property has been valued by Allied Surveyors on the 1st March 2013, who have confirmed that the value of this property is £99,000. This provides evidence of the open market value of the property.

Options Considered and reasons for rejection:

The Council does not have to exercise its option to acquire this property. It would then be sold on the open market.

Portfolio Holders Signature:

Date:

Details of any interests declared and any dispensations given by the Standards Committee:

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Date Decision Record Sheet received from portfolio holder: 16/05/13

Date Decision Published: 22/05/13

Decision No: PH/022/13

Date of Expiry of Call-In Period: 30/05/13

Date any Call-In received or decision implemented:

BACKGROUND

9 Stromer Close, Hemel Hempstead is a former Council property, within an HRA managed block. As the freeholder, Dacorum has been given first refusal to acquire the property, which is being disposed of by Hightown Praetorian and Churches Housing Association. (HPCHA)



front elevation

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HPCHA have been given authority to dispose of this unit of accommodation by the Homes and Communities Agency. Permission was originally given by the Homes and Communities Agency to dispose of this unit for £105,000, as per HPCHA's original valuation. As part of ensuring value for money, the Council has had the unit re-valued by Allied Surveyors at £99,000. This valuation was put to HPCHA, who have agreed to sell the unit to Dacorum for the revised valuation of £99,000.

Demand

There are currently just over 7,000 households on the Council's housing register, with homeless applications and enquiries rising dramatically over the previous financial year. This has led to an increase in demand and use of bed and breakfast accommodation. It is proposed that this unit is acquired for initial use as a temporary accommodation unit.

Surplus Revenue

The funding for the acquisition of this unit will come from the Affordable Housing Development Fund, which currently has an uncommitted balance of £2,770,000. 9 Stromer Close would be let out initially at a minimum of £21 per night, which is the Council's current charge for other similar temporary accommodation (Leys Road), and recoverable from Housing Benefit. (90% of Local Housing Allowance + £60 per week temporary accommodation management allowance)

Households would remain in 9 Stromer Close whilst their homeless applications are assessed. If households are found to be homeless, they will be moved on to permanent accommodation elsewhere. Households would not generally remain in 9 Stromer Close for more than 60 days.

If occupied for 365 days per annum, this unit would generate £7,665 per annum in revenue for the Council. Allowing 25% for repairs and voids, this would result in a net revenue surplus of £5,748 per annum, paying back the initial capital outlay in 17 ½ years.

It is therefore recommended that the Council acquires this unit from Hightown Praetorian and Churches Housing Association for £99,000 for use as temporary accommodation.