

REPORT TO: Cabinet

MEETING DATE: 9 October 2012

BY: Executive Director (Services for Communities)

SUBJECT: Update on Open Market Acquisition Strategy

1 PURPOSE

- 1.1 To provide Cabinet with an update on the Open Market Acquisition Strategy.

2 RECOMMENDATIONS

- 2.1 Cabinet is asked to note a budget of £4.4m has been set for the continuation of further purchases on the open market on a time limited and selective basis to meet the strategic housing needs of East Lothian residents.
- 2.2 Cabinet is asked to note a budget of £230,000 has been set aside in 2012/13 to deliver extensions and loft conversions. A paper detailing the Extensions Policy will be brought to November's Cabinet meeting.

3 BACKGROUND

- 3.1 Cabinet is asked to note that under delegated powers to the Executive Director (Services for Communities) of Appendix 2a (Heritable Property) of Standing Orders and after consultation with the Head of Council Resources, that Council has acquired a total of 79 houses to date, through the Open Market Acquisition Strategy, with a total spend of £8,845,500 plus Stamp Duty Land Tax amounting to £24,490.
- 3.2 In order to bring these properties up to the Council's Void Management Standard, a further £312,643 has been spent to date on repairs such as lock changes, electrical safety checks and rewires amongst other essential work to ensure safety standards are met. Where appropriate, kitchen and bathroom replacements have also been carried out. It is expected that the final bill for repairs in this regard will be around £500,000.

- 3.3 As a result, a total of £9,368,640 has been spent or committed to the Open Market Acquisition Strategy from a budget of £14m leaving £4,631,360 as yet uncommitted.
- 3.4 It is the view of senior housing officers that a budget of £4.4 million should be set aside for the continuation of further purchases on the open market on a time limited and selective basis to meet the strategic housing needs of East Lothian residents. This will be done by targeting areas of high demand and low supply through a detailed supply and demand analysis.
- 3.5 The Council Plan approved on 28 August 2012, has committed to introducing a revised extensions policy to help ameliorate living conditions for those families living in overcrowded council houses. A revised extensions policy is being developed and will be brought to November's Cabinet meeting.
- 3.6 It is the view of senior housing officers, that for 2012/13 it is best to set aside a sum of £230,000 within the Open Market Acquisition budget to deliver the extensions policy without compromising other commitments in the Council's HRA capital investment plans, currently under review, and which will be separately reported to elected members on completion.

4 POLICY IMPLICATIONS

- 4.1 The purchase of houses continues to assist in delivering one of the Council's core priorities reflected in the recently approved Council Plan, in which, "...the demand for affordable, high standard housing will be met."
- 4.2 The Extensions Policy when finalised, similarly meets the Council Plan's commitment to reintroduce and review the provision of loft conversions and extensions.

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 This Report is not applicable to the wellbeing of equalities groups and an Equalities Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – The total expenditure on the Open Market Acquisition Strategy for 79 houses has been £8,845,500 plus Stamp Duty Land Tax of £24,490. In addition it is estimated that £500k will be spent on repairs work getting these properties to the Council's Void Standard. This expenditure which was approved by the former Head of Finance has been contained within the overall budget of £14m in the Council's approved Housing Capital Investment Plans for 2011/12 and 2012/13.

The transfer of £230k from the Open Acquisition Strategy budget to form an Extensions Budget does not impact on any other aspect of the Council's HRA Capital Investment Plans.

6.2 Personnel – None.

6.3 Other – None.

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DATE	September 2012