

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH & HOUSING COMMITTEE

Agenda Item No.

meeting date: THURSDAY, 31 MAY 2012
title: PURCHASE AND REPAIR CAPITAL SCHEME REQUEST
submitted by: CHIEF EXECUTIVE
principal author: RACHAEL STOTT – STRATEGIC HOUSING OFFICER

1 PURPOSE

1.1 To seek Committee approval for a purchase and repair capital scheme.

1.2 Relevance to the Council's ambitions and priorities:

- Council Ambitions – To match the supply of homes in our area with the identified housing needs.

2 BACKGROUND

2.1 Adactus Housing Association approached the Council proposing an affordable housing scheme to deliver three units in Longridge in 2012/13 and three units in Longridge in 2013/14.

3 ISSUES

3.1 Currently the grant assistance available for delivery of affordable housing is through the landlord tenant grant scheme. The assistance available is for renovation only and the scheme does not allow for any grant towards the purchase of affordable properties. The scheme proposal from Adactus is for a grant towards both purchase and repair.

3.2 The additional benefits of this new scheme would be that the units would be affordable and managed by a housing association. The proposal is that the amount of grant which is approved for the purchase of the property will be registered as a Legal Charge to be repaid on sale, however this condition would exclude any sale to the tenant under the right to acquire or any further similar government schemes where the registered provider would not get the full receipt.

3.3 Adactus Housing Association have for many years delivered a purchase and repair scheme across the borough. Each year between 8 and 12 units have been purchased and renovated then let as social rented units. With the change in the Homes and Communities Agency grant funding process, the scheme was no longer viable. Therefore Adactus approached the Council as to whether we would offer support to enable continuation of the scheme. Longridge was identified as an area which would benefit from delivery of the scheme due to the lack of affordable family accommodation and the long social housing waiting list for Longridge.

3.4 Adactus have now got Board approval to go ahead with the purchase of three 2-bed properties in 2013 and 2014. The costs would require grant aid from Ribble Valley Borough Council. Therefore the proposal is for a new capital scheme to be made available for registered providers for the purchase and repair of properties.

3.5 The conditions of the grant would be local housing allowance rates to be charged on completion, the Council has 100% nomination rights and a Legal Charge is registered against the property for the value of the grant committed towards

purchase. The conditions will remain whilst the land charge is registered. The maximum grant to be offered is proposed to be £15,000 per property and £10,000 per flat.

4 RISK ASSESSMENT

4.1 The approval of this report may have the following implications:

- Resources – Options that may be available to finance the scheme include commuted sum monies and VAT shelter.
- Technical, Environmental and Legal – To use existing grant and support.
- Political – None.
- Reputation – To support affordable housing delivery.
- Equality and Diversity – No implications identified.

5 **RECOMMENDED THAT COMMITTEE**

5.1 Approve the proposed Purchase and Repair Scheme and the request for a new capital scheme to enable its delivery.

MARSHAL SCOTT
CHIEF EXECUTIVE

RACHAEL STOTT
STRATEGIC HOUSING OFFICER

BACKGROUND PAPERS

1 None.

For further information please ask for Rachael Stott, extension 4567.

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