

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH & HOUSING COMMITTEE

Agenda Item No. 6

meeting date: 1 OCTOBER 2020
title: PROPOSED PURCHASE OF A PROPERTY IN CLITHEROE USING COMMUTED SUM MONIES
submitted by: NICOLA HOPKINS – DIRECTOR OF ECONOMIC DEVELOPMENT & PLANNING
principal author: RACHAEL STOTT – HOUSING STRATEGY OFFICER

1 PURPOSE

- 1.1 To propose the purchase of property in Clitheroe using commuted sum monies.
- 1.2 To propose that the property purchased in Clitheroe is rented out as an affordable property using the same model as the two properties the Council recently purchased in Longridge.
- 1.3 Relevance to the Council's ambitions and priorities:
 - Community Objectives – To address the housing needs of all households in the borough.
 - Corporate Priorities – To meet the Council's statutory duties to deliver safe house provision within the borough.
 - Other Considerations – None.

2 BACKGROUND

- 2.1 The Council received off site commuted sum monies from two development sites in Clitheroe and Barrow which is required to be spent on delivering affordable housing in the locality.
- 2.2 The proposal is to replicate the same model as was used last year to support the purchase of the two properties in Longridge and provide an affordable rented house in Clitheroe. The legal agreements associated with the developments within Barrow and Clitheroe require the contributions to be spent within the locality and towards the provision of affordable housing. A property in Clitheroe is proposed to be purchased in accordance with the requirements of the planning obligations and registered in the Council's ownership. Once the property is purchased, the nomination of the tenant will come from the Council's affordable housing waiting list.
- 2.3 It is anticipated the property will be a terraced 2-bed property within the town centre or walking distance of the town centre. We may consider purchasing an empty property if renovation costs permit. Clitheroe is the preferred location due to access to services, affordability and the requirements of the legal agreements.
- 2.4 Commuted Sums—£123,840 was secured from a development site in Barrow to facilitate the provision of affordable housing for the purpose of addressing housing needs in Barrow or elsewhere within the Council's area of the borough. In addition, £17,000 was secured from the Peel Park Avenue development, Clitheroe for affordable housing for related purposes in the district. Providing the total available commuted sum contribution of £140,840. Therefore, if approved a house would be acquired for approximately £125,000 to ensure the property can be purchased, any repair works completed and handed over within the project budget.

- 2.5 Management of the property – In line with our current model, a 5 year management agreement will be drawn up between MSV (Moss Care St Vincent’s – as previously reported it needs to be leased to a Registered Provider to protect the property from right to buy and therefore ensure we can continue to offer an affordable rent property) and RVBC. MSV will manage all day to day services in terms of management, maintenance and repairs. A standard agreement has been drawn up for the two properties in Longridge this will be replicated for the additional property in Clitheroe.
- 2.6 Update on Longridge: Following Members’ approval to purchase two affordable dwellings in Longridge two dwellings have been purchased with one occupied and being managed by MSV and the second is due to be occupied at the beginning of October.

3 RISK ASSESSMENT

- 3.1 The approval of this report may have the following implications:
- Resources – The property will be funded through commuted sum monies. This money has been provided in lieu of on-site provision of affordable housing. Once purchased the unit will be rented out at LHA rate to ensure it remains affordable.
 - Technical, Environmental and Legal – The management agreement will set out all the legal responsibilities of both parties and for 5 years the properties will be managed by MSV. At the end of the 5-year period we will review the situation. The tenancy agreement will be between MSV and the tenant. This also protects against right to buy and losing the property as an affordable rent.
 - Political – Delivering additional affordable properties in Clitheroe is a positive and proactive step in addressing housing needs in the borough.
 - Reputation –The Council buying property to provide affordable accommodation demonstrates the commitment to address housing needs.
 - Equality & Diversity –The housing market in Ribble Valley is a majority of home ownership providing additional rented units assist in balancing the market.

4 RECOMMENDED THAT COMMITTEE

- 4.1 Agree to the purchase of an affordable property within Clitheroe using commuted sum monies, and authorise the Chief Executive to undertake negotiations and approve the purchase of a suitable property.
- 4.2 Agree to follow the established management model with Moss Care St Vincent’s and that the setting of rent level and service charges are delegated to the Chief Executive.

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