



**Melton
Borough
Council**

Record of Cabinet Portfolio Holder Decision

Local Government Act 2000 and the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

Decision made by	Portfolio Holder for Housing and Communities
Key decision?	Yes. Purchase property over £50k
Date of decision (same as date form signed)	November 2019
Name and job title of Officer requesting the decision	Genevieve Houldsworth, Economic Regeneration Officer
Officer contact details	ghouldsworth@melton.gov.uk
Decision	To purchase a three bedroom house on the Fairmead Estate, Melton Mowbray.
Reason for Decision	<p>MBC is a small rural local authority with approximately 50,000 residents and a retained housing stock of just over 1,800 homes. Fairmead is a Council housing estate and priority neighbourhood area in Melton Mowbray. It contains 207 properties, the majority still owned by the Council (75%). MBC is eager to support the Fairmead Regeneration Project (FRP), a deprived housing estate of council owned homes.</p> <p>The 'Right to Buy Scheme' has significantly diminished the Council's housing stock and over time it has reduced from a historic peak of around 5,000 homes. The Council continues to lose roughly twenty homes a year. The viability of the Housing Revenue Account is likely to be challenged if the stock continues to be sold. There is ultimately a critical mass under which the Council will struggle to manage and maintain the HRA cost effectively. This has been recognised by the Council's Housing Asset Management Plan (HAMP; 2017-2022), which has a strategic priority to increase the Council's housing</p>

	<p>stock to improve long-term viability of the HRA, in addition to help meet growing local housing needs.</p> <p>Discussions with residents, the wider community, Members and Officers have raised concerns about the disconnected layout of the estate, it is hard to navigate, has intimidating and insecure internal paths and laneways; poor vehicle security and suffers from anti-social behaviour. In order to address these concerns, a Masterplan for the regeneration of the estate was developed in partnership with the local community, which was formally adopted by the Council in 2012.</p> <p>The strategic acquisition of this property will support the FRP project to improve the mix and quality of council housing and help to rebalance the Council's overall housing stock.</p> <p>It is vacant and with no chain. The property has been inspected by the Council and a Homebuyers survey has been undertaken and the property would require significant works to get it to a lettable condition. A conditional offer at the asking price of £115,000 has been accepted by the vendor. The property was sold in 2007 for £115,000. It is considered to be an excellent strategic acquisition for the FRP project and Council's Assets. A legal report has been prepared and it has not raised any concerns. Following the approval of this decision notice, the legal team will complete the contracts and transaction.</p>
Alternative options rejected	<p>A number of properties were considered, however these were limited to those available. A series of offers were made, however some were unsuccessful due to interest from other buyers. It is considered to be an excellent strategic acquisition for the FRP project and Council's Assets.</p>
Legal implications	<p>S.120 Local Government Act 1972 provides a power for a local authority to acquire land.</p>
Financial implications	<p>The funding for the property purchase subject to this decision will require a total spend of £115,000. In accordance with rules regarding the use of the Right to Buy receipts, a maximum of 30% of purchase costs can be made from the retained Right to Buy (RTB) receipts, totalling £34,500. The remaining 70% of the funding will come from the HRA (£80,500).</p> <p>The Council will then have spent all of its required receipts on affordable housing by the end of the financial year. Further spending on new affordable housing will be required by 30 June 2020 and quarterly thereafter.</p>

Other implications	Under the Cabinet Scheme of Delegation (Chapter 2, Part 5 of the MBC Constitution) the Portfolio holder for housing may take decisions in relation to housing assets within the budget and policy framework.			
Background papers considered				
Declarations/conflict of interest?				
List consultees		Name	Outcome	Date
	Ward Councillors	Cllr Bains, Cllr Illingworth, and Cllr Wilkinson		
	Legal	Kieran Stubbly		7.10.19
	Finance	Carol King		14.10.19
	Human Resources	N/A		
	Equalities	N/A		
	Communications	N/A		
Confidential Decision?	Decision will remain confidential for commercial reasons until completion has taken place.			
Call In Waived by Scrutiny Committee Chair?				
Has this been discussed by Cabinet Members?				
Cabinet Portfolio Holder Signature	REDACTED		Signature	
	22.10.2019		Date	

ONCE SIGNED, THIS FORM MUST BE HANDED TO DEMOCRATIC SERVICES IMMEDIATELY.

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Form Received		
Date published to all Councillors		
Call In Deadline		