

POLICY ON THE ACQUISITION OF PRIVATE PROPERTIES FOR COUNCIL HOUSING

June 2020

This document sets out the Council's Policy on the purchasing of private properties for council housing under the Government's One for One Replacement Scheme utilising retained Right to Buy receipts.

1. INTRODUCTION

The Council participates in the Government's One for One Replacement Scheme which enables retained Right to Buy (RTB) receipts to be used to partly fund the provision of new build council housing for rent and to purchase private properties to be used for the same purpose.

This Policy sets out the criteria that is to be used to determine which properties will be considered for purchase and sets out the process for achieving this.

2. TYPES OF PROPERTIES THE COUNCIL WILL CONSIDER

The Council will consider the following properties for purchase:

- Two, three and four bedroom houses
- One, two and three bedroom flats/maisonettes/bungalows

These types of properties will help meet the Council's current housing demand for affordable rented properties in the borough.

Where a property is leasehold e.g. flats and maisonettes, the Council will only consider purchasing properties if they were previously owned by Dartford Borough Council and sold under the RTB.

The Council's preference will be for properties formerly purchased in the Borough under RTB, or within, or close to, the Council's existing housing management areas.

3. PROPERTY CONDITION

The Council will survey a potential property, before any offer is made, to assess its condition. All properties outlined in Section 2 will be considered, except where the condition is such that the Council has determined the property to be beyond economic repair, or where the asking price is such that it does not represent value for money; as determined by the Council's external Valuer.

The Council will usually make an offer based on the works that need to be completed to make the property fit for letting (adhering to the Council's current void standards).

In each case, the final decision to purchase will be made by the Head of Housing in consultation with the Strategic Director (External Services). The decision will be final.

4. RIGHT OF FIRST REFUSAL

Where the Council has a right of first refusal (as determined by s.156A of the Housing Act 1985) on a property previously sold under RTB, the Council will consider the purchase in line with this Policy.

5. VALUE FOR MONEY

The property will be valued by the Council's Valuer and the Council will only consider the purchase price of a property in line with its current Housing Revenue Account (HRA) Business Plan. Where a property does not represent good value for money, in terms of its long term business planning, the property is likely to be rejected.

6. APPROVAL TO MAKE AN OFFER

The Financial Services Manager will assess the above in line with the HRA Business Plan and, if the purchase satisfies the requirement of the Plan and this Policy, a report will be presented to the Strategic Director (External Services) seeking approval to purchase and setting the parameters of the offer to be made.

7. PURCHASE OFFERS

Once approval to proceed with an offer has been agreed, in line with this Policy, the Council will make an offer to purchase the property, subject to contract. This transaction will normally be undertaken through the vendor's and the Council's respective solicitors. The Council's preference is to exchange and complete on the same day, however, this is not a requirement and will be discussed with the seller following an acceptance of an offer.

8. RENT LEVELS & REPAIRS

The Council will let its properties, purchased under this Policy, at affordable rent levels, within the Government's Local Housing Allowance (LHA) levels.

The following link provides up to date information on LHA levels in Dartford.

<https://lha-direct.voa.gov.uk/SearchResults.aspx?LocalAuthorityId=276&LHACategory=999&Month=1&Year=2020&SearchPageParameters=true>

The Council will undertake repairs to the property purchased, using its existing contractors, ensuring the properties letting condition meets the Council's current void standards.

9. ALLOCATIONS

All properties purchased under this Policy will be let to persons on the Council's housing and transfer register in line with the Council's current Housing Allocations' Policy and Tenancy Policy.

These can be found at: <https://www.dartford.gov.uk/by-category/housing2/housing-strategy-and-policy-documents>

10. LEGISLATION

All properties will be subject to current legislation relating to Right to Buy, as set out in the Housing Act 1985.