

Report to: **Housing Review Board**

Date of Meeting: 11 January 2018

Public Document: Yes

Exemption: None

Review date for release None



Agenda item: 16

Subject: **Purchase of Hillcrest Bungalow, St Johns Road, Exmouth**

Purpose of report: This report seeks authority to enter negotiations to purchase a surplus Devon County Council (DCC) property using Right to Buy receipts and HRA funding.

Recommendation:

- 1. To support our proposal to enter negotiations with Devon County Council to agree a value and purchase price for Hillcrest Bungalow, Exmouth with a view to redeveloping the site in the future.**
- 2. To use Right to Buy receipts and Housing Revenue Account housing development fund to purchase the property.**

Reason for recommendation: Buying this site will allow us to develop purpose built council housing to meet specific needs. To ensure Right to Buy receipts are spent on time and not returned to Government with interest.

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Financial implications: All financial implications are discussed within the body of the report.

Legal implications: The context for the proposed purchase is set out within the report and does not require any legal comment at this stage.

Equalities impact: Low Impact

Risk: High Risk

If right to buy receipts are not spent in time the Council will have to return them to Government with interest.

There is the risk that planning permission for redevelopment may not be forthcoming.

Links to background information: .

Link to Council Plan: Living in this outstanding place.

1.0 Background

1.1 Hillcrest Bungalow comprises a prefabricated bungalow on a site of approximately 0.15 acres. The bungalow and site forms part of the former Hillcrest School site which was sold

and developed for housing by C G Fry. The bungalow was retained and occupied by the school caretaker but has been declared surplus to requirements by Devon County Council (DCC) in August 2017.

- 1.2 The existing bungalow is in a poor condition and requires complete refurbishment. However, the site in which the bungalow sits has potential for redevelopment. The site is relatively self-contained and well located for local amenities and the town centre.
- 1.3 We have been liaising with DCC about the possibility of Housing purchasing the bungalow and site.

2.0 Proposal

- 2.1 We have done some initial scoping work and inspected the existing bungalow. Informal discussions with planning have been positive and redevelopment of the site for housing is likely to be supported.
- 2.2 There are a number of options for redevelopment (subject to planning) which could be considered. One option we would like to pursue is a purpose built shared house. Alternatively the site may accommodate a property for a larger family or specialist properties. Another option is to develop it for standard general purpose housing.
- 2.3 We will be able to use Right to Buy receipts for part of the acquisition costs and part of the future development costs. Other funding sources for the redevelopment and build costs could include using the sale receipts from selling 24 & 26 Normandy Close, some of our surplus garages or obtaining funding from the Homes and Communities Agency (HCA).
- 2.4 The next step will be to agree a price with DCC via our respective agents.

3.0 Recommendations

- 3.1 We would like to pursue the possibility of Housing purchasing this surplus property and we are requesting your support to open negotiations with DCC to agree the site value and purchase price.
- 3.2 Depending on site value, and if supported by HRB, we propose using Right to Buy receipts (30%) to part fund the acquisition with the remainder (70%) from the Housing Revenue Account housing development fund.