

CABINET MEMBER DECISION



Decision:

That the application for exemption in respect of 33 new build properties is approved.

(1) Details of Decision

To consider the application for exemption from pooling arrangements for capital income received through right to buy sales in respect of 33 new build council homes.

(2) Considerations/Evidence

The application for exemption relates to the building of 33 new properties that will be completed between July 2014 and March 2015 at a cost of £3m – as per the HRA capital programme. In accordance with section 11 of the Local Government Act 2003, these properties are eligible for exemption from the requirement to surrender part of the capital receipt to Government should the property be sold under Right to Buy (RTB).

Currently, the DCLG pooling arrangements provide for the Council to retain a proportion of the capital receipts from the sale of council houses with the balance being repaid to Government. In 2013/14, there were 37 actual RTB sales and the Council retained £1081k (62%) of the total receipts. The balance of £662K was pooled to DCLG.

The Council can apply to exclude eligible new properties (new build, remodelled or purchased since 2008) sold under RTB from the requirement to give up a proportion of the capital receipts to central government. If successful, the Council can retain 100% of the capital receipts provided they are used for affordable housing, regeneration projects or reducing HRA debt.

The key principle is to support the provision of additional housing and the DCLG will consider the application with this in mind. However, there is no requirement to use all or part of the receipts on affordable housing, i.e. they could all be used to build new houses or to reduce HRA debt.

(3) Reasons for Decision:

As indicated, under the current rules it is not possible to exclude new build properties from a tenant's eligibility to RTB so should any of these properties

be sold there is a clear financial benefit to the Council in retaining 100% of the capital receipts

Conflicts of Interest

(Any conflict of interest declared by any other Cabinet Member consulted in relation to the decision to be recorded).

NONE

Dispensations

(Any dispensation granted by the Monitoring Officer in respect of any declared conflict of interest to be noted).

NONE

Decision taken by:

Name: Councillor Terl Bryant
Portfolio: Good Housing

Date of Decision: 31 July 2014

Date of Publication of Record of Decision: 31 July 2014

Date decision effective (i.e. 5 days after the date of publication of record of decision unless subject to call-in by the Scrutiny Committee Chairman or any 5 members of the Council from any political groups):

08 August 2014