

**Committee:** Full Council

**Date:** Wednesday,  
15 June 2022

**Title:** Acquisition of Section 106 Properties by the  
Housing Revenue Account

**Report  
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**Portfolio  
Holder:** Councillor Arthur Coote, Portfolio Holder for  
Housing

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## Summary

1. This report details an opportunity for the Council to acquire 19 properties on a Section 106 site in Great Dunmow. Commercially confidential details relating to cost have been removed in order for the report to be placed in the public domain.
2. Members are asked to read over the appended Part 2 report in order to have full financial details to hand when considering their decision.
3. Cabinet are to consider approval of the purchase at the meeting on Thursday, 9 June.

## Recommendations

1. Subject to Cabinet approval on 9 June, Full Council to note approval of the purchase by the HRA of 18 x 1 bed flats and 1 x 2 bed flat from Barratts Homes as per the details outlined in the restricted report.
2. Full Council to endorse the acquisition and to authorise the required borrowing.

## Financial Implications

3. The purchase of these properties will be funded by borrowing within the HRA and Right to Buy receipts.

## Background Papers

4. The following paper was referred to by the author in the preparation of this report and is available for inspection from the author of the report.

HRA Business Plan 2016 – 2021

- 5.

Communication/Consultation	N/A
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Community Safety	N/A
Equalities	Equality and diversity is a key issue for the Council with regards to housing provision
Health and Safety	N/A
Human Rights/Legal Implications	The Legal team will deal with the purchase of the properties
Sustainability	An opportunity to acquire efficient new homes for people in housing need.
Ward-specific impacts	Gt Dunmow
Workforce/Workplace	There are sufficient resources in the housing team to manage this acquisition and the management of new stock

## Situation

6. This report is to request approval for the council to purchase 19 new properties on a Section 106 site in Great Dunmow. The properties will be added to existing council stock owned within the Housing Revenue Account and be funded using Right to Buy Receipts and Housing Revenue Account Borrowing (HRA)
7. The council has had an ambition of adding 180 new homes to the councils housing stock by a mixture new development through the housing development programme and by appropriate acquisitions.
8. The council has now negotiated a deal with Barratt Homes for the acquisition of 19 new build flats. 18 x 1 bed flats and 1 x 2 bed flat.
9. The funding of the acquisition will be through a mix of use of Right to Buy receipts, S106 monies, internal and external borrowing.
10. These properties will be at an affordable rent and it has been calculated that the payback time will be with 23 years, before development interest, which compares favourably to assumed registered provider norm of 30 – 35 years.
11. For commercial reasons there is a requirement to act quickly on this matter if we wish to proceed with this purchase, as the seller requires Exchange of Contracts by the end of June. Therefore the council needs to indicate as quickly as possible if they wish to proceed with this deal.

## Risk Analysis

12.

Risk	Likelihood	Impact	Mitigating actions
Insufficient sites identified for development to deliver housing target	3	3	As housing development sites have been exhausted, we continue to look for land and property acquisitions to ensure delivery target is met

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.