



# NOTICE OF MEETING

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**CABINET MEMBER FOR HOUSING AND PREVENTING HOMELESSNESS**

**MONDAY, 7 DECEMBER 2020 AT 4.30 PM**

**VIRTUAL REMOTE MEETING**

Telephone enquiries to Anna Martyn Tel 923 9283 4870  
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## **Membership**

Councillor Darren Sanders (Cabinet Member)

Councillor Cal Corkery  
Councillor Scott Payter-Harris

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(NB This agenda should be retained for future reference with the minutes of this meeting).

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**A written deputation stating which agenda item it refers to must be received by the Local Democracy officer named on the agenda by 12 noon two working days preceding the meeting. Any written deputation received will be sent to the Members on the relevant decision making body and be referred to and be read out at the meeting. Email requests are accepted.**

## **AGENDA**

**3 Building Safety Regulatory Reform (Pages 3 - 10)**

Purpose

The report is for information only and the purpose is to provide the Cabinet Member for Housing and Preventing Homelessness with a summary of the proposed Building Safety regulatory reform and an update regarding the Building Services plans to prepare for the legislation.

**4 Disposal of Council Housing and Replacement of Council Housing**

(Pages 11 - 18)

Purpose

The report is for information only and the purpose is to:

- 1) Outline how the delegations to dispose of council housing are exercised (including the principles and process), and
- 2) To provide an update on the progress of the replacement homes scheme (replacing council housing through acquisition) and the funding model used.

# Agenda Item 3



**Portsmouth**  
CITY COUNCIL

## **THIS ITEM IS FOR INFORMATION ONLY**

**(Please note that "Information Only" reports do not require Integrated Impact Assessments, Legal or Finance Comments as no decision is being taken)**

<b>Title of meeting:</b>	Cabinet member for Housing and Preventing Homelessness
<b>Subject:</b>	Building Safety Regulatory Reform
<b>Date of meeting:</b>	7 <sup>th</sup> December 2020
<b>Report by:</b>	James Hill - Director of Housing, Neighbourhood and Building Services
<b>Wards affected:</b>	None

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### **1. Requested by Councillor Darren Sanders, Cabinet Member for Housing and Preventing Homelessness**

#### **2. Purpose**

- 2.1 The Cabinet Member for Housing and Preventing Homelessness has requested a summary of the proposed Building Safety regulatory reform and provide an update regarding the Building Services plans to prepare for the legislation.
- 2.2 Resident safety in their homes is at the forefront of the draft Building Safety and Fire Bills. Whilst not legislation, it is appropriate to update the Cabinet on both Bills as they will have an impact on how buildings are managed and the investment that will be required for future planned maintenance programmes to maintain and improve Council properties, ensuring that our residents live in a safe environment
- 2.3 The information provided is as follows;
  - A. Building Safety Bill Review
  - B. Fire Safety Bill Review
  - C. HNB Directorate Building Safety Structure and Next Steps

#### **3. Information Requested**

##### **A. Building Safety Bill Overview**

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**(Please note that "Information Only" reports do not require Integrated Impact Assessments, Legal or Finance Comments as no decision is being taken)**

- 3.1 The draft Building Safety Bill is the Government's legislative response to the Grenfell Tower fire and Dame Judith Hackitt's 2018 review of the building industry, "Building a Safer Future". The Bill represents a wholesale reform of the regulatory system for building control and safety in England. The proposed reforms are designed to improve building and fire safety with the primary aim of ensuring that residents will be safer in their homes.
- 3.2 The draft Bill introduces a new regulatory regime for high-risk residential buildings, now defined as "higher-risk buildings". The proposed definition of higher-risk buildings is where the floor surface of the building's top storey is 18 metres or more above ground level, or more than six storeys above ground level (whichever is reached first); and having two or more dwellings or two or more rooms used by one or more persons to live and sleep. Houses, flats, serviced apartments, supported accommodation and student accommodation facilities are all expected to be within the scope of higher-risk buildings.
- 3.3 The Draft Building Safety Bill was published on 20 July 2020 and the next stage is for the Bill to enter parliament. Currently there is no indication as to when the draft Bill will be enacted, nor when each of the provisions of the draft Bill will come into force.

Building Safety Regulator

- 3.4 The draft Bill proposes to establish a new national Building Safety Regulator, which will sit in the Health and Safety Executive and report to the Secretary of State. The Regulator will be responsible for;
- i. Implementing the new regulatory regime for higher risk buildings
  - ii. Overseeing the safety and performance of ALL buildings by monitoring the performance of all building control bodies and advising on building standards and safety risks
  - iii. Assisting and encouraging competence among the built environment industry and registered building inspectors
- 3.5 The Regulator will establish and consult with three advisory committees as follows;
- i. Building Advisory Committee - creating a new structure to validate and assure guidance, oversee the performance of the built environment sector and provide expert advice

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- ii. Committee on Industry Competence - establishing an industry-led committee to ensure a consistent approach to improving competence.
- iii. Residents' Panel - to ensure that residents are able to contribute to key policy changes related to residents

3.6 There will be a new "Gateway" regime introduced;

- i. Gateway One - will occur before dutyholders are required to be in place when applying for planning permission.
- ii. Gateway Two - occurs prior to construction work beginning and is described as a "hard stop" – works cannot begin until the Building Safety Regulator is satisfied that the dutyholder's design is compliant with the new requirements.
- iii. Gateway Three - is at completion, requiring the dutyholders to hand over the prescribed documents and information (the golden thread) to the Accountable Person and submit to the Building Safety Regulator the prescribed documents and information on the final as-built building.

In Occupation Obligations and Roles

Accountable Person

3.7 The draft Bill establishes the role of the Accountable Person who will be legally responsible for the safety of higher-risk buildings. Accountable Persons may be individuals or corporate entities, and will hold either a legal estate in possession of the common parts of the building or a relevant repairing obligation in respect of the common parts (meaning that management companies may also be Accountable Persons).

Registration of Higher Risk Buildings

3.8 The Accountable Persons must register a higher-risk building before its occupation and apply for a Building Assurance Certificate. Registration of higher-risk buildings is critical in that it enables the Regulator to take a systematic approach to the oversight of buildings in the new regime.

3.9 A Building Safety Case is required for registered buildings assessing building safety risks that are suitable and sufficient to prevent a major incident and contain steps undertaken to prevent the risks.

Building Safety Manager

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3.10 The Accountable Person is to appoint a person to be the Building Safety Manager for the building before the building becomes occupied. Building Safety Managers must manage higher-risk buildings in accordance with the Building Safety Case report.

### Residents

3.11 Residents are at the centre of the new regime proposed by the draft Bill. There are comprehensive arrangements set out in the draft Bill to promote the participation of residents and “flat-owners” in the decision-making about building safety risks in their building. The Accountable Person will need to produce a Resident Engagement Strategy as required by the registration process and Building Safety Case for existing in-occupation higher risk buildings.

3.12 The Residents’ Panel established by the Regulator will issue a Good Practice Guide to provide practical help but it is envisaged that the Resident Engagement Strategy must include the following;

- i. Details of the information that will be provided to residents relating to the management of the building
- ii. Scope of what residents will be consulted on and the methods used to seek their views
- iii. Details of how the effectiveness of the strategy will be assessed

3.13 In addition residents will be able to request more detailed safety information and documentation such as fire risk assessments, how the buildings are managed and planned changes to the building.

3.14 A complaints procedure and system to handle residents’ safety concerns will need to be established and managed by the Building Safety Manager. The Regulator will also be establishing a complaints procedure to manage complaints escalated to them.

3.15 The draft Bill updates the Landlord and Tenant Act 1985, placing express duties on residents of higher-risk buildings to keep their property in good repair, cooperate with Building Safety Managers to fulfil building safety duties and not hinder or damage fire safety works or equipment.

3.16 Accountable Persons will have rights to enter residents’ dwellings and issue enforcement notices, which shall be enforceable via the courts, similar to the process for gaining access for gas inspections.

## **B. Fire Safety Bill**



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- 3.17 The Fire Safety Bill builds on action already taken to ensure that people feel safe in their homes, and a tragedy like the Grenfell Tower fire never happens again. The Bill will amend the Fire Safety Order 2005 to clarify that the structure and external walls of the building, including cladding, balconies, windows and entrance doors to individual flats that open into common parts are included in the Fire Safety Order 2005.
- 3.18 The Bill will provide a foundation for regular prescribed inspection of fire doors including property entrance doors, ensuring evacuation plans are reviewed and regularly updated and personal evacuation plans are in place for residents whose ability to evacuate may be compromised, ensuring fire safety instructions are provided to residents in a form that they can reasonably be expected to understand.
- 3.19 The Government introduced the Fire Safety Bill on 19 March 2020 and it is currently progressing through the House of Lords before Royal Assent.

**C. HNB Directorate Building Safety Structure and Next Steps**

- 3.20 The HNB Director chairs a senior manager's strategic quarterly meeting to review building compliance reports and discuss work being undertaken by the various building safety groups that have been established (High Rise, Fire and Asbestos). Discussions are being held with the Housing Resident Consortium to expand the current senior management forum to have resident representatives as part of the quarterly meeting and to rename the group the 'Building and Customer Safety Panel'.
- 3.21 Building compliance is reported through performance monitoring, including indicators such as Water Legionella incidents via the Governance, Audit and Standards Committee quarterly reporting. There is scope to enhance that report to include the new indicators that emerge from the legislation and regulations. The work of the directorate to respond to the legislation and regulations will also be listed as a major project and included on the quarterly performance report. Additional building compliance performance monitoring and reporting can be set up as a result of the proposed new legislation as and when necessary.
- 3.22 HNB have already established a Building Safety (High Rise) Group that comprises senior managers from the Building service and Private Sector Housing together with representatives from Hampshire Fire and Rescue Service. The Group meet regularly to discuss high rise buildings within Portsmouth and share information regarding risks, as well as coordinating data returns to the MHCLG.
- 3.23 HNB also manage a Building Safety (Fire) Group set up in 2017 that includes senior managers from across the various services within the HNB Directorate,

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who meet regularly to discuss fire issues, review fire risk assessment recommendations and fire data, plan resident communications and evaluate any updates required to the fire policy or management systems.

- 3.24 The Building Maintenance service meet with Hampshire Fire and Rescue Service regularly throughout the year to share information, plan joint inspections and work closely on various initiatives such as community engagement and facilitating training exercises. This includes those that have been undertaken at Leamington House that have provided valuable high rise training for various fire crews in Portsmouth who have been able to utilise their firefighting equipment for high rise blocks in the training exercises.
- 3.25 Fire Risk Assessments for all the Council's social housing high rise buildings are carried out annually and a programme of structural inspections are currently being undertaken of all high rise blocks.
- 3.26 The Building Maintenance service are reviewing its existing building information regarding high rise buildings that are likely to be within scope of the legislation and require registration and Building Safety cases to be submitted to the Building Safety Regulator.
- 3.27 To understand the buildings likely to be in scope of the legislation an exercise has been undertaken and shows that HNB, who are responsible for managing the Council's social housing stock, manage 39 blocks of flats that are six storeys and above. They are located within the Council wards of Charles Dickens (23), Nelson (10), St Thomas (5) and Cosham (1). The Private Sector Housing team will be liaising with the private owners of a further 63 high rise blocks that are located within the City boundary. This information is shown for context only to highlight the number of buildings in scope.
- 3.28 A framework contract for sprinkler installations is currently being prepared and fire tests for proposed fire doors that will be specified has been organised, both of which will assist future planned maintenance programmes in these areas. Planned programmes are being prepared and will be submitted at a future Cabinet meeting. Surveys have also been undertaken to evaluate cladding on high rise blocks and a project has been tendered for the removal of non ACM cladding.
- 3.29 HNB will continue to review the Building Safety Bill and Fire Safety Bill as they progress through parliamentary stages. It will also engage with the MHCLG and attend appropriate conferences or undertake further training as necessary. HNB will ensure that the roles and structure of the service are aligned to the requirements of the proposed legislation. Further reports as appropriate will be brought back to the Housing and Preventing Homelessness Cabinet to provide



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updates regarding the next steps, as further details regarding both the Building Safety Bill and Fire Safety Bill emerge and they become legislation.

- 3.30 This information report focusses on the HNB directorate and its responsibilities for the Councils social housing stock, corporate assets and the Private Sector Housing service role in relation to privately owned residential properties. The Head of Building Services will work with colleagues in other Directorates, particularly where the Bill's talk to the role of planning and building control.

.....  
Signed by **James Hill - Director of Housing, Neighbourhood and Building Services**

**Appendices:**

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

<b>Title of document</b>	<b>Location</b>
Proposals for reform of the building safety regulatory system	<a href="https://www.gov.uk/government/consultations/building-a-safer-future-proposals-for-reform-of-the-building-safety-regulatory-system">https://www.gov.uk/government/consultations/building-a-safer-future-proposals-for-reform-of-the-building-safety-regulatory-system</a>
Building a safer future - outcome of the consultation	<a href="https://www.gov.uk/government/consultations/building-a-safer-future-proposals-for-reform-of-the-building-safety-regulatory-system/building-a-safer-future-quick-read-guide">https://www.gov.uk/government/consultations/building-a-safer-future-proposals-for-reform-of-the-building-safety-regulatory-system/building-a-safer-future-quick-read-guide</a>
New Building Safety Regulator - Health & Safety Executive	<a href="https://www.hse.gov.uk/building-safety/index.htm">https://www.hse.gov.uk/building-safety/index.htm</a>

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# Agenda Item 4



## **THIS ITEM IS FOR INFORMATION ONLY**

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<b>Title of meeting:</b>	Cabinet Member of Housing & Preventing Homelessness
<b>Subject:</b>	Disposal of Council Housing & Replacement of Council Housing
<b>Date of meeting:</b>	7 <sup>th</sup> December 2020
<b>Report by:</b>	James Hill, Director of Housing, Neighbourhood and Building Services
<b>Wards affected:</b>	None

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### **1. Requested by Cllr Darren Sanders, Cabinet Member for Housing and Preventing Homelessness**

### **2. Purpose - the Cabinet Member has asked for an information report to**

- a. Outline how the delegations to dispose of council housing are exercised (including the principles and process), and
- b. An update on the progress of the replacement homes scheme (replacing council housing through acquisition) and the funding model used.

### **3. Information Requested**

#### **A. Disposal of Council Housing**

The disposal of council housing properties for other than right to buy reasons is rare. Successive administrations have sought to maintain and increase the level of council housing through housing development (new build) and replacement homes schemes.

The disposal of council housing forms part of the delegations of the Director of Housing, Neighbourhood and Building Services. (Part 2 Section 5B). Specifically the delegation provides the Director of Housing, Neighbourhood and Building Services:

#### *General*

- 2. To be responsible for the management and development of council assets, included but not limited to lease management, adaptation, acquisition, the direct construction of assets and disposal to third parties.*

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The operational process to exercise the delegation was reviewed in Early 2018 and remains in place.

The decision to dispose is underpinned by the following key evaluation principles:

- Retain - wherever possible stock should be retained
- Demand - is there demand for this type of property
- Costs - the decision must be cost effective
- Alternatives - are there alternative uses for this property that will make it cost effective
- Suitability - is the property of a suitable quality to provide housing

For the disposal decision a feasibility report is prepared by building surveyors within the Building Projects team. Surveys and feasibility condition reports are undertaken where extensive repairs are anticipated either when the properties become vacant or as identified from visits undertaken by the repairs team of occupied properties. The reports outline the issues identified from the survey and provide estimated costs for various options to refurbish the properties.

Maintenance costs are based on the average per unit plus major capital repairs within a 30 year maintenance life cycle plan. Using the costs of refurbishment detailed within the feasibility reports, a financial appraisal is undertaken for each acquired property. The financial appraisal uses a discounted cash flow technique to bring the financial effects over the period assessed to a net present value. An internal rate of return is established to measure and compare the profitability of investment of each option. The payback period is also calculated to establish the time required to recover the return on investment.

The reports for properties are considered by a Directorate Building Management Board. The board is an operational officer group with the purpose of providing the Director with oversight of various strands of building and property related work, this includes for example oversight of acquisitions (buy back schemes), housing developments and projects.

The board consists of senior managers for buildings, housing, neighbourhood, building maintenance, finance and business growth relationship and support to provide the Director with an informed view of the property so that a decision can be recommended to retain or dispose of the property using the evaluation principles.

The following case study highlights the disposal process in relation to the most recent disposal of council housing accommodation.

### **Recent disposals - Case study**

#### **Acquired Stock Background**

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Acquired houses are properties that have been acquired by Portsmouth City Council (PCC) for a variety of reasons and let as dwellings for social rent, as opposed to properties that have been specifically built and developed by PCC.

The acquired properties are generally pre-war construction with the majority built prior to 1900. They were not purpose built for Council housing and are situated across the city; they are generally individual properties within a street of privately owned houses. The properties are not usually located within the heart of our usual housing estate areas and are often further than walking distance to our housing offices.

The properties are typically mid-terrace and the layout is generally a two up two down layout that may have had adaptations undertaken. Layout and construction issues include building elements such as kitchens, bathrooms, roofs etc... being at the end of their service life, rising damp, single skin construction of rear additions, steep staircases that do not comply with current building regulations, structural issues including wall tie failure or subsidence and limited access and routes within the property. The properties are likely to require considerable investment to improve them to meet modern living standards.

We have 273 acquired properties across the city predominantly in non-estate locations all are part of the City Council's housing stock and are part of the housing revenue account.

Tenants can exercise right to buy and have the same tenancy rights as any City Council tenant. Response repairs and annual safety checks (where appropriate) are delivered through the repairs support team. The tenants will access the services of the nearest area housing office.

<b>Row Labels</b>	<b>Count of Housing Estate Area</b>
Buckland	144
Landport	56
Leigh Park	1
Somerstown	72
<b>Grand Total</b>	<b>273</b>

Recent Disposals

In July 2020 eight properties were sold via auction. All were part of a batch of ten properties and went through the process described above to evaluate the ongoing capacity for the properties to be used as council housing. Two properties were removed from the auction to deal with land registration or demised premises and boundary queries.

All of the properties disposed of were not Council built and were acquired. Due to the age and construction of the properties, that were predominantly Victorian, they all had numerous building defects. In addition the layout of the properties was not suitable, with some of the

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properties not complying to current building housing standards and therefore not suitable for renting without major alterations to the layouts.

Unlike right to buy the full capital receipt is held by Portsmouth City Council and is available for capital spend and is made available through the annual capital bid process. As part of the budget setting process in Feb/March 2020 HNB entered a capital bid to secure the capital receipt from the sale of the properties to in effect ring fence the capital receipts to be used specifically to replace the sold units.

The overriding principle is to retain assets and whilst this was not possible with these ten properties the capital receipt can be recycled to purchase homes ensuring that the number of homes in our stock increases rather than decreases as a result of this work.

The team that manage the buy back schemes (described below) will oversee the replacement of the properties sold.

At the auction the anticipated return for the eight properties sold was £1,190,000 but the properties achieved a return of £1,680,000.

Taking into account average purchase prices and ensuring that we re-provide units of at least the same number of bedrooms we estimate that we will be able to repurchase at least 11 units to be held in the HRA. A net gain of 3 units. We will ensure that we purchase properties that have the same number of bedrooms, meet housing need, are of suitable condition and are good homes for people to live in.

One further property was sold at auction on the 29<sup>th</sup> October 2020 and the capital receipt will be used as described above to replace the property. The estimated guide price was £130,000 but it achieved £146,000. The last of the ten properties will be taken to auction in due course.

The recent disposals and evaluation occurred as a consequence of them becoming void and were batched through to auction.

### Acquired Stock Condition Survey

The Building Services team are undertaking a full stock condition survey of the remaining acquired properties as part of a wider asset management plan to better understand the condition of the stock and understand the planned maintenance needs of the stock.

The stock condition survey will better enable the building services team to plan for longer term maintenance programmes and for the stock to be evaluated to determine the longer term future rather than waiting for the properties to become void.

### B. Replacement Homes Schemes

#### Background

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Since the end of September 2016 Portsmouth City Council have been financing the repurchase of ex-council flats for re-incorporation into the housing stock. A third of this cost is financed through the Government One-For-One Replacement homes scheme with the remaining balance being funded from the existing Housing Capital programme.

Demand for affordable homes in Portsmouth remains high and the buy back scheme is one way in which social housing stock can be replaced.

The sales agreed are for vacant possession but are subject to negotiation and contract. The purchase prices typically range between £70,000 and £300,000 depending on location and the number of bedrooms.

The buy backs are informed by an understanding of housing need. The Housing Need, Advice and Support services is responsible for the administration of the City Council Housing Register and that forms the basis of the assessment of need. At the current time there remains significant demand for 2+ bedroom properties both on and off island.

The buy backs scheme currently operating occurs as a result of the City Council's leaseholders selling their leasehold interest for the first time and providing the City Council with the right of first refusal to repurchase the property. The buy back scheme also extends to the purchase of properties for sale on the open market which has created a steady flow of properties (see pipeline below).

### Acquisition process

When a property has been identified and is of potential interest. The replacement homes team oversee an independent valuation of the property's value, the property is surveyed by the building services team and financial appraisal is completed. The purchase will only proceed if the property meets housing need, is of a standard and quality that can be maintained and is financial viable.

The acquisition of replacement homes is undertaken within the delegation of the Director of Housing, Neighbourhood and Building Services.

The acquisition of council housing forms part of the delegations of the Director of Housing, Neighbourhood and Building Services. (Part 2 Section 5B). Specifically the delegation provides the Director of Housing, Neighbourhood and Building Services:

#### General

2. To be responsible for the management and development of council assets, included but not limited to lease management, adaptation, acquisition, the direct construction of assets and disposal to third parties.

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Pipeline

The administration has sought to accelerate the use of the buyback scheme through acquisition of all forms of property. During 2020 the Replacement Homes team have focussed on bringing properties back into the stock through leaseholders as well as working with local estate agents and private property vendors as they present themselves.

This has resulted in a significant increase in the number of properties during 2020/21 being both in the pipeline but also completing as a purchase year to date (please see statistics below).

The team coordinate the entire purchase process from the initial enquiry through to the completion of the sale and the subsequent reconciliation of leasehold service charge and reserve fund accounts as well as the setting up of rent accounts. They liaise with all appropriate stakeholders, throughout the process, such as:

- Leaseholders/freeholders.
- Housing Needs and Advice.
- Leasehold Services.
- Internal and external RICS valuers.
- Planned Maintenance building surveyors.
- Property Managers.
- Estate agents.
- External solicitors.
- PCC Legal Services.
- GIS mapping team and stock database managers.
- Council Tax/Housing Benefit in respect of holistic debt management.
- Voids team/Housing Officers.

The tables below show the activity to date:

<b>REPURCHASES STATUS SUMMARY</b>				
<b>Property Type</b>	<b>completed</b>	<b>in progress</b>	<b>on hold</b>	<b>total</b>
Flat	69	100	1	170
House	5	13	0	18
Maisonette	23	33	1	57
Bungalow	1	1	0	2
Studio Flat	0	4	0	4
<b>Total</b>	<b>98</b>	<b>151</b>	<b>2</b>	<b>251</b>
please note this is the total from start of replacement homes project (2016)				



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EXPENDITURE ON REPURCHASES BY ASSET TYPE & YEAR						
Property Type	2016/17	2017/18	2018/19	2019/20	2020/21	total
Flat	350,000	1,126,000	652,500	2,433,500	3,839,500	8,401,500
House	0	222,500	290,000	522,500	0	1,035,000
Maisonette	293,000	0	115,000	1,717,000	1,039,000	3,164,000
Bungalow	0	0	0	0	160,000	160,000
Studio Flat	0	0	0	0	0	0
<b>Total</b>	<b>643,000</b>	<b>1,348,500</b>	<b>1,057,500</b>	<b>4,673,000</b>	<b>5,038,500</b>	<b>12,760,500</b>

NO OF PROPERTIES REPURCHASED BY ASSET TYPE AND YEAR						
Property Type	2016/17	2017/18	2018/19	2019/20	2020/21	total
Flat	4	10	5	19	31	69
House	0	1	1	3	0	5
Maisonette	2	0	1	13	7	23
Bungalow	0	0	0	0	1	1
Studio Flat	0	0	0	0	0	0
<b>Grand Total</b>	<b>6</b>	<b>11</b>	<b>7</b>	<b>35</b>	<b>39</b>	<b>98</b>

When the properties have completed and are ready for occupation the property is added to the council housing management systems and will be let and managed by the local area housing office. The allocation is made from the City Council's housing register.

### Funding Model

In October 2018 the borrowing cap for the HRA was removed enabling the City Council to utilise borrowing for the purposes of housing development and acquisition. In February 2020 the Council committed to a programme of purchasing property to be used for Social Housing. The programme was initially set up to for £100m, it is estimated that the Council could spend £20m each year for the next 5 years purchasing around 500 homes. The funding model used for the acquisition of property is as follows:

The usual funding model is a combination of Right to Buy '141' Capital Receipts with the remaining amount funded from unsupported borrowing. The capital receipts from properties in this report will be used to fund the purchase of other properties within this programme.

Each purchase is subject to independent valuation and financial appraisal that ensures that the rent that can be achieved is enough to meet the cost of borrowing and capital maintenance costs, to ensure that it has a positive effect on the Housing Revenue Account 30 business plan.

### Note

The buy backs schemes are separate and distinct from housing development which create new social housing, for example Doyle Avenue and the re-provision of Horatia House and Leamington House.

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.....  
Signed by (Director)

**Appendices:**

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Relevant part of the constitution Part 2 Section 5B	<a href="https://www.portsmouth.gov.uk/wp-content/uploads/2020/05/2.s5B-Director-of-Housing-Neighbourhoods-and-Building-Services.pdf">https://www.portsmouth.gov.uk/wp-content/uploads/2020/05/2.s5B-Director-of-Housing-Neighbourhoods-and-Building-Services.pdf</a>