

 Report of: **Oxford Building Solutions Business Manager**


 **Executive Board**

 Date: **19 June 2006**


 Item No:


 Title of Report : **Options for two HRA Properties (one domestic, one Shop)**

Summary and Recommendations

 Purpose of report: To give the options for two HRA properties one a shop with living accommodation over and the other a tenanted property.


 Key decision: Yes


 Portfolio Holder: Councillor Murray

 Deputy Responsibility: Housing Scrutiny Committee

 Ward(s) affected: Blackbird Leys, Hinksey Park

Report Approved by: Portfolio Holder, Councillor Murray; Strategic Director Housing, Health and Community, Michael Lawrence; Oxford Building Solutions Business Manager, Graham Bourton; Housing Services Business Manager, Graham Stratford; Legal Services, Jeremy King; Financial Services, David Higgins

 Policy Framework: To meet Decent Homes Target by 31 December 2010.

 Recommendation(s): That the properties be sold on the open market and that the proceeds be allocated towards meeting the decent homes target (subject to a further report in accordance with paragraph 9.05 of the Contract Procedure Rules).

Background (shop) –

1. The shop property is an end of terrace, traditionally built in the 1960's and has been converted to a single unit shop on the ground floor and living accommodation on the first floor. There is a large single storey extension, which occupies the whole of the rear garden. It is located within the Blackbird Leys estate.
2. The rear extension has not been the subject of a Planning application and consequently has not been granted planning permission. As the extension is over 4 years old, a Certificate of Lawful Existence is being applied for to legalize the situation.
3. To date the property has been managed by the Council's Financial and Asset Management Business Unit. The property is currently unoccupied and is not part of the housing stock although it is an HRA asset.
4. A recently completed condition survey of the Council's HRA shops stated that this property needed repairs estimated to cost £12,500. The shop was described as "very small and basic with some cracking internally". Part of the report, which relates to this property is attached to this report, Appendix 2.
5. Because of its current/past use, the property is not part of the Council's decent homes programme.

Background (house)

6. The property is currently tenanted by a single elderly person who is happy to decant to a more suitable property. It has two bedrooms and is a traditional brick built mid-terrace house with an upstairs bathroom. The property can only be sold if the current tenant provides vacant possession.
7. The rear extension, which has the kitchen on the ground floor and bathroom at first floor level, has been condemned as unsafe by the Council's structural consultant and will need to be made safe by supporting the structure in the short term and then demolishing and rebuilding it.
8. The Savills survey estimated that £4,700 would be needed to be spent on the property to bring it to decent homes standard, however the extension rebuild costs, estimated to be £70,638 and as shown in Appendix 3, will include the Savills estimate.

Options -

9. A summary of the options for both properties is shown on the Confidential agenda Appendix 1 attached.
10. The Council's Environmental Health department is currently developing a scheme to bring into use properties for short term co-op use and have been working with Co-operative Homes Services. However, this scheme is at an early stage and still requires formal approval. It is thought to be unsuitable in this case.

Proposals -

11. Owing to the high cost of achieving the decent homes standard and the need to finance it, it is proposed that both properties should be sold on the open market.

Legal implications -

12. Shop - The specific consent of the Secretary of State would not be required as the proposed disposal would be covered by the General Consents (para A5.3) found in s.32 of the Housing Act 1985. Although not used for provision of Part II accommodation the property is an HRA asset (that OCC did not build) so is covered by this general consent. If the commercial property were not a HRA asset the disposal would be covered by the General Consent contained in the Local Government Act 1972.
13. House - The specific consent of the Secretary of state would not be required as the proposed disposal would be covered by the General Consents (para A3 or A5.1) found in s.32 of the Housing Act 1985. This assumes that any disposal is for market value and complies with rules on who can bid and whether the property must be used by the proposed purchaser as his/her principal home.

Financial implications -


14. The financial implications are set out in the Confidential Appendix 1 attached.

Housing Advisory Board

15. The Housing Advisory Board will consider this report on 14 June and any recommendations that body makes to the Strategic Director, Housing Health and Communities, will be reported orally at the meeting.

Appendices -

- Appendix 1 - Confidential financial appraisal.
- Appendix 2 - Extract from Shops condition Survey Report.
- Appendix 3 - Estimated house repair costs

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 **background papers:** Planning Approvals
Shops Condition Survey Report