

Report of: Community Housing Business Manager

To: Executive Board

Date: 11th September 2006

Item No:

Title of Report : Change of Tenure, 100 Acres Close Development

Summary and Recommendations

Purpose of report: The report discusses changing the use of the 100 Acres Close development from temporary accommodation to settled accommodation.

Key decision: No

Portfolio Holder: Councillor Murray (Improving Housing)

Scrutiny Responsibility: Housing Overview & Scrutiny

Ward(s) affected: Lye Valley

Report Approved by

Portfolio Holder: Councillor Patrick Murray (Improving Housing).

Legal: Jeremy King, Legal & Democratic Services.

Finance: David Higgins, Finance & Asset Management.

Strategic Director: Michael Lawrence, Housing Health & Community.

Policy Framework: The recommendation of this report supports the aims of Homelessness Strategy.

Recommendation(s): It is recommended that the Board support a rolling programme of re-designation of the properties at 100 Acres Close to settled accommodation, as outlined at Para. 6(iii) of this report,

Background

1. 100 Acres Close is a mixed tenure development located in the Lye Valley Ward. Twenty two of the properties are owned by Oxford City Council, as part of the Housing Revenue Account asset base.

2. The properties consist of fourteen 2 bedroom flats, four 3 bedroom flats, three 4 bedroom flats, and a unit currently used as office accommodation by the Temporary Accommodation Managers which has the potential to be refurbished as a four bedroom flat.
3. These properties were constructed as temporary accommodation for use by those housing applicants to whom the Council has a duty to provide accommodation under the Homelessness legislation. The properties are generally used as "second-stage" accommodation, and occupants can spend a number of years in such accommodation before being re-housed into settled accommodation.
4. The Department for Communities and Local Government have set a target for all local authorities of reducing the number of households living in temporary accommodation by 50% (compared to the figure at 31st December 2004). This is a challenging target for Oxford City Council, involving a reduction from 953 households to a maximum of 476. A number of initiatives have been and continue to be brought forward to deliver this significant reduction.
5. The Homelessness Inspectorate are particularly keen to see the conversion of temporary accommodation to more settled tenures, and the 100 Acres Close development offers the opportunity to convert twenty one units of temporary accommodation and one unit of office accommodation to general needs housing stock let under secure tenancies.

Options

6. There are three options for the future of the stock at 100 Acres Close
 - i) Do nothing. The properties provide affordable temporary accommodation at social housing rent levels. Other temporary accommodation in the city is considerably more expensive, reflecting the market for private rented accommodation in the city and the cost of providing a housing management function for our clients. This makes the 100 Acres properties particularly suitable for working homeless households who are not in receipt of housing benefit.
 - ii) Re-designate the 22 properties concerned as secure accommodation en mass, either as soon as possible, or following the introduction of Choice Based Lettings.
 - iii) Re-designate the properties on a rolling programme, offering secure tenancies to residents who are at the point of being offered properties in other locations and who have expressed a wish to remain at 100 Acres Close, with any remaining properties being re-designated following the introduction of Choice Based Lettings. Voids in the intervening period would continue to be used as temporary accommodation, for working households wherever this is possible.

Options Appraisal

7. The primary driver that has caused officers to raise the question of re-designation of these properties is the need to achieve the 2010 target set by the Department for Communities and Local Government (formerly the Office of the Deputy Prime Minister) of a 50% reduction in the number of households in temporary accommodation. This will involve reducing the number of households in such accommodation in the city by around four hundred and fifty by 2010. Reduction programmes are under way in respect of all forms of temporary accommodation that the Council currently uses, and if current performance in homelessness prevention is any guide, these programmes may have to be accelerated in the near future.
8. Re-designation of 100 Acres offers significant advantages as part of a structured reduction programme. Firstly, the properties would become part of the HRA general needs housing stock, and offer the chance to offset some of the reduction in stock numbers brought about by the Right to Buy and other asset disposals. Secondly, with other forms of temporary accommodation it is necessary to empty the properties before handing back to the owners, and give notice of up to 12 months; this leads to additional costs in terms of void time payments, and in some cases refurbishment costs to return the properties to their original condition. In the case of council owned stock such as 100 Acres, these costs do not apply; an amendment to the Allocations Scheme would allow the properties to be offered to their current occupants, and any voids could be offered through the usual process.
9. There is, however, a counter argument. The cost to occupants of most forms of temporary accommodation is high. Rents tend to be above those charged in straightforward private sector rented properties due to the additional costs to the Council or Housing Association over and above the basic lease costs, such as providing a housing management service, covering the cost of void periods, and repair obligations, which are taken into consideration when setting rent levels. 100 Acres Close, on the other hand, is HRA stock and has rent levels identical to properties of the same type in the general needs stock. This makes the properties affordable for those homeless households who are working, with reduced need for support from the Housing Benefit system. Allocations staff make efforts to place such households there, although it is not always possible to do so.
10. It can be argued that the introduction of Choice Based Lettings will have a beneficial effect for working homeless families, in that they will be the most motivated bidders, and therefore have a greater chance of success than benefit dependent families who have become settled in the location of their temporary accommodation and may not bid so readily. If this argument is accepted, it would favour either waiting until the introduction of CBL, or a rolling programme of re-designation, which could involve offering secure tenancies of their current properties to those occupants of 100 Acres Close who are due for an offer of a property in the natural course of things.

Legal Implications.

11. There are no legal implications involved in changing the tenure of these properties to secure tenancies. Changing the tenure of Council owned properties in this way is an internal policy decision, and does not require any permissions from the Secretary of State or other government agency.

Financial Implications.

12. The 100 Acres properties, as temporary accommodation, were not included in the Decent Homes survey and the capital programme which was based on that survey. Officers have carried out an assessment of the work needed to refurbish the office accommodation to allow for use as a dwelling, and of other capital works needed at the scheme, and indicative costings are shown below. As these works were not identified as part of the capital programme, it will be necessary to amend that programme appropriately to include them, but the actual timing of the works will depend on the phasing of any re-designation and a further report will make proposals in this regard. This may have some effect on the asset management strategy currently being developed.

Indicative Costings	£
Reinstatement of no. 49 to 4 bed flat	2,500
Reinstatement no. 50 (office) to 4 bed flat	20,000
Works to Communal areas/fire alarms	14,000
Minor works	1,500
Contingency	10,000
Fees @ 10%	4,800
Total cost	52,800

Conclusion

13. There are undoubted advantages to re-designating the 100 Acres Close as secure accommodation, as part of the programme of reducing the number of families in temporary accommodation in the city, and increasing the depleted general needs stock. Use of the properties as temporary accommodation does offer some advantage to working homeless households, but there is no guarantee that such households will be placed there. It would be desirable, in order to reduce disruption for those residents wishing to make a settled home in their current accommodation, to undertake the type of rolling programme outlined at Para. 6(iii) of this report.

Recommendation

12. It is recommended that the Board support a rolling programme of re-designation of the properties at 100 Acres Close to settled accommodation, as outlined at Para. 6(iii) of this report.

Name and contact details of author: Graham Stratford. 01865 252447
gstratford@oxford.gov.uk

Background papers: None.

**MINUTES OF HOUSING SCRUTINY COMMITTEE AND HOUSING
ADVISORY BOARD**

Housing Scrutiny Committee – 4 July 2006

**31. HUNDRED ACRES CLOSE – RECLASSIFICATION OF
ACCOMMODATION**

The Housing Services Business Manager submitted a report (previously circulated now appended) which discussed a proposal to change the use of the 100 Acres Close development from temporary accommodation to settled accommodation.

The Committee agreed:

- (a) To inform the Housing Advisory Board of the Housing Scrutiny Committees support for the re-designation of the Hundred Acres Close properties from temporary accommodation to settled accommodation and to recommend that it advises the Strategic Director, Housing, Health and Communities to approve this re-designation, taking into account the following further recommendations:
 - (i) That the re-designation of the properties in Hundred Acres Close began after the introduction of the Choice Based Lettings Scheme;
 - (ii) That an exception to (i) above would be that clients who reached the top of the housing list prior to the introduction of Choice Based Lettings and were already accommodated in Hundred Acres Close, should be offered a tenancy at that property first
- (b) To submit the report to the Executive Board to note recommendation (a) above and to request that it lobbied the government etc. to reduce the benefit dependency of people in first and second stage temporary accommodation who wished to gain employment but were prohibited by the possible lose of benefits.
- (c) To request the Strategic Director, Housing, Health and Communities to inform the Housing Scrutiny Committee of his reasons should he decide not to follow recommendation (a) above.

28. HUNDRED ACRES CLOSE – CHANGE OF TENURE

The Housing Services Business Manager submitted a report (previously circulated and now appended).

The Democratic Services Manager reported that the Housing Scrutiny Committee had recorded that it favoured option (iii) (redesignation of the properties on a rolling programme).

In relation to paragraph 12 of the report (that related to the cost of converting/reinstating two properties at Hundred Acres Close to 4 bed accommodation), the Oxford City Homes Business Manager reported that £2,500 of the £52,800 could probably be found from within revenue budgets but the balance would need to be agreed by the Executive Board as part of an amended capital programme.

Resolved to advise the Strategic Director, Housing, Health and Community that he might wish to exercise his delegated powers to:-

- (1)
 - (a) Subject to (b) below, to redesignate the Hundred Acres Close properties as secure accommodation, that redesignation to take effect when choice-based lettings was introduced;
 - (b) If, before redesignation, an occupant of a Hundred Acres Close property came to the top of the housing list for permanent accommodation, to offer the occupant a secure tenancy of the property they currently occupied and, if the occupant accepted, redesignation of that property would apply from that time;
- (2) RECOMMEND the Executive Board that, in the context of the next review of the capital programme budget, an additional sum be added to cover the cost of converting/reinstating two properties at Hundred Acres Close to 4 bed accommodation as referred to in paragraph 12 of the report.