

Report of: Head of Oxford City Homes

To: Housing Advisory Board
Executive Board

Date: 31 October 2006
6 November 2006

Item No:

Title of Report : Options for Large HRA Properties.



Summary and Recommendations



Purpose of report: To give the options for a number of large HRA properties.



Key decision: Yes

Portfolio Holder: Councillor Patrick Murray

Scrutiny Responsibility: Housing Scrutiny Committee



Area(s) affected: Carfax, Jericho & Osney.

Report Approved by:



Portfolio Holder: Councillor Patrick Murray

Finance: David Higgins



Legal: Jeremy King

Strategic Director:



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



Recommendation(s): The **Housing Advisory Board** is invited to advise the Strategic Director, Housing Health and Community, that he recommend the Executive Board to sell the properties on the open market as suitable alternative accommodation has been found for the current tenants and to allocate the proceeds towards meeting the decent homes target.



The **Executive Board** is recommended to adopt the recommendation of the Strategic Director.

Background –

1. Currently the HRA owns some large properties which are located in high value areas of the city. This stock comprises tenanted houses and flats, some of the flats have leaseholders. The addresses are listed in the Confidential Appendix 1 but for confidentiality/security reasons, the house/flat number is not shown.
2. Within the Council housing stock, there are currently 3 seven bed properties, 6 six bed, 23 five bed and 248 four bed.
3. Two properties on the list are not large, they have two bedrooms but they are character buildings and have a high valuation (over £350k each).
4. Those identified were built in the late 1800's or early 1900's and are generally "one offs" with solid walls and have, in most cases, a cellar and are more than two stories high. These properties were not built as Council houses but were purchased by the Council in the past.
5. In their survey of 20% of the Council housing stock in 2003, Savills estimated the cost of repairs and improvements needed to all of the properties amounted to £154,110, as shown in Appendix 1.
6. Since the Savills report, a decent homes survey has been undertaken and all properties have been inspected internally. The result of which indicates that an additional budget (over and above the Savills costs) of £29,195 will be needed to bring these properties up to the decent homes standard, resulting in a total budget required of £183,305. It should be noted that access was not gained to five properties to carryout the latest decent homes survey and consequently the Savills data has been used, it is likely that this is less than that needed.

Options -

7. There are effectively three options for these properties:-
 - a, To retain and carryout the decent homes works as estimated on the Confidential appendix 1. With the existing tenants either temporarily decanted or the work being done with the tenants insitu.

b, To retain and carryout the decent homes works as before but to permanently decant those families under occupying into alternative suitable accommodation and re-let to larger families off the waiting list.

c, To sell the properties on the open market as soon as suitable alternative accommodation has been found for the existing tenants. We could only sell the freehold reversion for those properties where a leaseholder is in occupation i.e. such a sale would be subject to the lease. This could affect the selling potential and the purchase price.

8. The Council's Environmental Health business unit 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 (if all properties are disposed of in the short term) but if properties are disposed of on a "one off" basis, over a number of years, the Co-op Homes scheme may be a more attractive proposition.

Proposals -

9. Owing to the high cost of achieving the decent homes standard and the need to finance it, it is proposed that the properties should be sold on the open market as and when suitable alternative homes can be provided for the current tenants.
10. The Executive Board would need to approve any disposal. In addition, under the Constitution, once a buyer has been found, a further report will be presented to the Executive Board to advise Members of the purchase price and the proposed use of the building.

Legal implications -

11. The council tenants in occupation have secure tenancies and as such cannot be evicted on the sole ground that the council wished to dispose of the property. It is unlikely that Oxford City Council would be able to make out a ground for possession (based on disposal plans alone) so any decant to alternative suitable accommodation can only be done with the consent of the tenants. The council could provide limited incentives to those who wish to move, for example, if they are occupying properties too large for their needs.

12. Houses/flats - 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) 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.

Tenancy implications -

13. Currently there are in excess of 250 families needing four bedrooms or more. These are existing tenants needing larger accommodation, those currently in homeless temporary accommodation and applicants living in the private sector.

Financial implications -

14. The financial implications, loss of rent etc. are set out in the Confidential Appendix 1 attached.
15. The current Home Loss payment to tenants is £4,000 which covers carpets, curtains etc. but excludes the cost of removals, 'phone installation and cooker connection, which could increase the payments by a further £1,700. If all properties were vacated and these payments made, the total cost to the HRA would be in the region of £96,900.

Conclusion -

16. Owing to the high value of these properties and the need to fund the decent homes programme, it is recommended that these properties are sold on the open market as soon as appropriate alternative accommodation has been found for the tenants consenting to a transfer.

Appendices -

17. Appendix 1 - Confidential financial appraisal.

Name and contact details of author: Chris Pyle, tel; 335411, extn 3611, Email: cpyle@oxford.gov.uk

Background papers: None

