










**Report of:** Head of Oxford City Homes


**To:** Executive Board

**Date:** 10 September 2007 **Item No:**

**Title of Report :** Options for 16 Regent Street, East Oxford.

 <b><u>Summary and Recommendations</u></b>	
 <b>Purpose of report:</b>	To give the options for 16 Regent Street, located in East Oxford and currently vacant but in a poor state of repair. 
 <b>decision:</b>	Yes
<b>Portfolio Holder:</b>	Councillor Patrick Murray
<b>Scrutiny Responsibility:</b>	Housing Scrutiny Committee
 <b>Ward(s) affected:</b>	St Mary's
<b>Report Approved by:</b>	
 <b>Portfolio Holder:</b>	Councillor Patrick Murray
<b>Finance:</b>	David Higgins
 <b>Legal:</b>	Jeremy King
<b>Strategic Director:</b>	Michael Lawrence
 <b>Policy Framework:</b>	To meet Decent Homes Target by 31 December 2010.
 <b>Recommendation(s):</b>	To instruct the Strategic Director, Housing, Health and Community, to retain the property, carry out the necessary works and re-let to a family on the waiting list.

### **Background –**

-  This three storey five bedroom house is a traditionally brick built Victorian property which is currently void.

2. It has a number of defects, including rising damp to the basement and ground floor walls and needs new roofing, windows, kitchen, bathroom, central heating, re-wiring and considerable re-plastering and decorating.
3. As the property is three stories high, it also needs a hard wired fire alarm system and fire doors.
4. An estimate of £48,475 has been received for work to the house and a further £2,140 has been quoted to clear the rear garden and replace defective fencing, bringing the total to £50,615 excluding fees.
5. The cost of carrying out decent homes work to this property was estimated by Savills (in 2003/04) to be £3,640 but this was a cloned property and a survey was not carried out on it.

### **Options -**

6. Option 1. To sell the property on the open market and to use the funds to help meet the shortfall in decent homes funding.
7. Option 2. To retain it and carryout the structural and refurbishment works necessary and re-let to those on the waiting list. It should be noted that this size of property is in short supply for social housing and currently in the region of 250 families are on the waiting list for properties with four bedrooms or more.
8. Option 3. To reach an agreement with an RSL or Co-operative Homes, so that the property is retained within the social housing sector. Owing to the cost of the repairs needed, it is unlikely that an organization of this type would find it financially viable and previous proposals submitted (for other properties) were not financially acceptable to the Council. The Allocations Team have advised that we have no need for further short life accommodation, such as that provided by Co-op Homes, as we are reducing our use of temporary accommodation. The Council cannot make a permanent nomination to it, so there is no real advantage from a corporate/social housing viewpoint. In order to judge interest, officers are currently consulting with RSL's about possible transfers and the options for this type of property where the Council would hold nomination rights. A verbal update will be given at the meeting.

### **Proposals -**

9. Owing to the short supply of five bedroom properties, the proposal is to adopt Option 2, to retain the property, carryout the works necessary and re-let to a family on the waiting list.

## **Legal implications -**

10. As the property is classed as HRA Land, if the Council sells to an individual or social landlord 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.
11. If the Council planned to sell to a developer then Secretary of State approval may be required.
12. Before the sale of any property, in accordance with the Constitution, a further report will be submitted to the Executive Board outlining the proposed use for the building and the terms of the disposal.

## **Financial implications -**

13. The financial implications are set out in the Confidential Appendix 1 attached and show the indicative effects on revenue and capital of the various options over a five year period.
14. Option1, an open market sale would result in the loss of the potential rent (currently £4,037 per annum) but a capital receipt of circa £375,000 would be generated which would help with the decent homes funding shortfall.
15. Option 2. Retain and return to tenant stock, would result in revenue funding but also an additional capital commitment of £56,000 including fees.
16. Option 3. RSL or Co-operative Homes. previous discussions and proposals have resulted in a high indirect "subsidy" which has not been to the Council's advantage and therefore not acceptable. The high initial investment needed does not make it an attractive proposition for organizations of this type.
17. The current rents are shown on the exempt from publication financial summary at Appendix 1.

## **Appendices -**

Appendix 1 - exempt from publication financial summary.

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Background papers: Independent report and valuation