










Report of: Head of Oxford City Homes

To: Executive Board


Date: 10 September 2007

Item No:

Title of Report : Options for 7 Parson's Place, St Clements.

 <u>Summary and Recommendations</u>	
 Purpose of report:	To give the options for 7 Parsons Place, a three bedroom traditionally built house which is currently vacant but in a poor state of rep 
 decision:	Yes
Portfolio Holder:	Councillor Patrick Murray
Scrutiny Responsibility:	Housing Scrutiny Committee
 Ward(s) affected:	St Clements
Report Approved by:	
 Portfolio Holder:	Councillor Patrick Murray
Finance:	David Higgins
 Legal:	Jeremy King
Strategic Director:	Michael Lawrence
 Policy Framework:	To meet Decent Homes Target by 31 December 2010.
 Recommendation(s):	To instruct the Strategic Director, Housing, Health and Community, to adopt Option 3 - to retain and extend the property, carry out the necessary works and re-let to a family on the waiting list for a five bedroom property.

 **Background –**

-  1. This two storey three bedroom house is a traditional brick built property which is currently void. The property is sited on a good size plot with the possibility of providing an extension to the side.

2. The structure of the property is good but a previous tenant refused to have improvement works carried out during a previous scheme in the area. It has also been neglected internally. A considerable amount of work has to be carried out to comply with the decent homes standard and to make it fit for occupation.
3. It has been estimated that a budget of circa £30,000 would be needed for the works and therefore, under the baseline refurbishment costs agreed by Members, a report indicating the options is required.
4. The cost of carrying out decent homes work to this property was estimated by Savills (in 2003/04) to be £21, 595.

Options -

5. Option 1. To sell the property on the open market and to use the funds to help meet the shortfall in decent homes funding.
6. Option 2. To retain it and carryout the refurbishment works necessary and re-let to those on the waiting list.
7. Option 3. To retain but to extend the property to the side and provide a minimum of two extra bedrooms together with refurbishment works to the existing areas. Five bedroom houses are 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 4. 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 of this type of property where the Council would hold nomination rights. An oral update will be given at the meeting.

Proposals -

9. Owing to shortage of large family accommodation, the proposal is to adopt Option 3. That is to retain and extend the property, carry

out the works necessary and re-let to a family on the waiting list for a five bedroom home..

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 exempt from publication 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 but a capital receipt of circa £200,000 would be generated which would help with the decent homes funding shortfall.
15. Option 2. Retain and refurbish to decent homes standard, would maintain a revenue income but would result in Capital costs of circa £33,000 including fees.
16. Option 3. Retain and extend to provide a minimum of five bedrooms would retain the revenue funding but would result in an additional capital commitment of £99,000 including fees. It is estimated that an extension of this size would cost £60,000 which, with refurbishment costs estimated to be £30,000 results in a total estimated cost of £90,000 for the works, excluding fees. This option would increase the current shortfall in decent homes spending by approximately £73,000.
17. Option 4. 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.

18. The current rent is shown on the exempt from publication financial summary Appendix 1.

Appendices -

Appendix 1 - exempt from publication financial summary.

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Background papers: Independent report and valuation

