

Report of: Head of Oxford City Homes
To: Executive Board
Date: 3 December 2007 **Item No:**
Title of Report: HRA Stock, Decent Homes Strategy

Summary and Recommendations

Purpose of report: To seek approval for the proposed HRA Stock Decent Homes Strategy which aims to provide a realistic long term asset strategy, up to and beyond the decent homes 2010 deadline.

Ward(s) affected: All

Key decision: Yes

Portfolio Holder: Councillor Patrick Murray.

Scrutiny Responsibility: Housing Scrutiny Committee

Report Approved by:-

Portfolio holder: Patrick Murray
Strategic Director: Michael Lawrence
Legal: Jeremy King
Finance: Dave Higgins

Policy Framework: To meet the decent homes standard by 31 December 2010.

Recommendation(s): To approve the recommendations shown in paragraph 69 of the report.

Background –

1. A major stock option appraisal was completed in accordance with Government requirements and a full appraisal presented to Members on 20th May 2005.
2. Following consultations with tenants and recommendations from the Executive Board, Members agreed to retain and manage the whole of the Council's housing stock at a meeting of the Full Council on 20th June 2005
3. A financial appraisal produced by Butlers (Treasury Management Advisors) identified that only the minimum standard for decent homes was feasible and that there was a gap in funding, from the appraisal date to 31st December 2010, of £27m. Potential income from the sale of Houses of Multiple Occupation (HMO's) reduced this gap to £22m.
4. The gap, over a thirty-year period, increased to £33m.
5. The minimum investment needed, from 2003/04 up to the decent homes target date of 31 December 2010, was £73.9m and £204.4m over thirty years. Although the Government has set the decent homes target of all Council stock to be decent by 31 December 2010, it is predicted that beyond 2010/11 an additional £1m plus, over and above current predicted income, will be needed per annum to maintain the ongoing decent homes programme.
6. As a social landlord, the Council needs to look beyond Decent Homes by considering a long-term strategy that both maintains and improves our current stock but also looks to work with our partners to increase the supply of affordable housing.
7. Forecast HRA surpluses of circa £1.5m per year could support prudential borrowing up to £24m with reduction in service. However, Members and officers agreed that long-term borrowing is not an option that they wish to pursue. Instead, officers were requested to look at potential disposals and/or cost reductions.
8. To date there has been a rather piecemeal approach and direction is needed so that the Council is able to maintain a viable housing stock. This will give a more value for money approach and enable the planning of a cost effective support infrastructure.

Current position –

9. The decency programme has been maintained and budget requirements kept at £73.9m for the period to December 2010.

10. The Houses of Multiple Occupation (HMO's) sales to date have provided Capital receipts of £4.4m.
11. Other sales, approved and completed, have provided £3.7m and a further £12.1m of disposals have been approved that are either on the market or in the pipeline.
12. The impact of the 2006/07 Budget process reduced HRA surpluses by £1m per year.
13. A recent report on the condition of Estate shops has shown that £1.5m needs to be spent. £0.5m of which is planned to be spent in the years to 2010 and the remaining £1m in subsequent years.
14. The HRA continues to fund Disabled Adaptations at a forecast cost of £4.7m over the seven-year period. This was not anticipated in the stock option appraisal. As this relates to Council housing it would not be payable from General Fund and there is no statutory duty for the Council to fund it.
15. There are a number of discretionary schemes that the Council undertakes which result in an annual spend of £2,410,000. These are listed in Appendix 1 and include aids and adaptations. Spend on these items could be reviewed.
16. Inflation, above normal RPI, is forecast to add £2.7m.
17. The current stock profile at 31 March 2007 (excluding external leased properties) is as follows:-

Houses		ASSET VALUE
1 bedroom	16	2,673,000
2 bedroom	820	168,151,500
3 bedroom	2,919	605,511,500
4 bedrooms +	273	70,477,000
 Flats		
1 bedroom	1,658	219,081,500
2 bedroom	1,560	231,627,000
3 bedroom	32	6,017,000
4 bedrooms +	1	170,500
 Bungalows		
1 Bedroom	263	39,655,000
2 Bedroom	43	7,612,000
3 Bedroom	34	6,572,500
4 Bedroom	1	214,500

Maisonettes

2 Bedroom	168	24,926,000
3 Bedroom	118	20,487,500
4 Bedroom	1	209,000

HMO's	<u>34</u>	<u>5,329,500</u>
	7,941	£1,408,715,000

Note: the asset values shown above assume vacant possession, existing use for social housing values are £633,921,750 (45% of the vacant possession value). The valuation data was provided by Cluttons (Certificate dated 31.03.2006) with an inflation percentage of 10% added to give a market value at September 2007. No allowance has been made for the value of land where properties have been demolished.

Garages

Garages within block	2,416
Garages within curtilage	276
Parking spaces	<u>50</u>
	2,742

18. The current financial position is summarised below:-

Oxford City Homes
Current Financial position
as at 21 June 2007

	Position at 2003/04	Current Position
	£m	£m
Capital Resources		
Major Repairs Allowance	35.3	36.0
Supported Borrowing	7.6	7.6
Right to Buy and Sundry Other	3.5	6.2
HMO's	5.0	4.4
Other Disposals Approved		14.4
Forecast Revenue Contributions		9.7
<i>Total Resources</i>	<u>51.4</u>	<u>78.3</u>
Expenditure		
Decent Homes	73.9	73.9
Other and Disabled Adaptations		4.7
Inflation		2.7

	73.9	81.3
Decency Gap to 2010/11 (7 Years)	22.5	3.0
Additional Considerations		
Potential Expenditure		
Shops		0.5
Sheltered Re-modelling		6.9
Tower Blocks-Other essential work		6.8
Non-traditional properties		2.0
Inflation on above		0.5
Potential Capital Resources		
Sale of Sheltered Schemes		(9.1)
Tower Block - Leaseholder Contributions		(1.3)
Present Gap to 2010/11	22.5	9.3

Note: the revenue income stream has not been considered in detail at this stage but will be part of individual feasibility studies and subsequent reports to Members.

Sheltered Schemes

19. The strategic review of sheltered housing identified that five schemes were weak and would not meet reasonable design criteria for sheltered accommodation. These schemes were:-

Rowlands House, Risinghurst
Bradlands & Cumberlege House, Marston
Alice Smith House and Eastern House, Littlemore

20. In the appraisal, these schemes scored 50 or lower out of 100. The next weakest scheme was Grantham House, Jericho with a score of 52.8. A further, more detailed, review of the schemes was undertaken with the main objectives as follows:-

- a) Retaining, where possible, one scheme in each geographical area that was capable of providing suitable re-modelled accommodation.
- b) Schemes that were weakest would be sold to provide sufficient funds to re-model those remaining and provide circa £2m to go towards the general decent homes gap.
- c) Comments and recommendations are detailed in paragraph 25 below. The findings of the review can be summarised as follows:-

That sheltered schemes would be reduced from 15 to 11 (367 units to 287) and

The four schemes that are recommended to be sold, would realise an estimated market value of £9.1m.

21. The major change from the original review was to substitute the sale of Bradlands for Grantham House. The criteria for this proposed change is development potential and financial.
22. Disposing of Bradlands as well as Cumberlege would leave no alternative sheltered accommodation in Marston and it is proposed that a scheme of sufficient size could be achieved at Bradlands to accommodate tenants being decanted from Cumberlege. Proceeds from Cumberlege being used to develop/re-model Bradlands.
23. Although it is the only Council run accommodation in the area, Grantham House is both difficult and expensive to re-model. It is also in a high value area with proceeds at circa £4.0m whereas potentially three other schemes would have to be sold to yield the same value. Currently under construction in this area is another Registered Social Landlord (RSL) scheme being built in the Lucys Eagle Works site. The Council will have full nomination rights for this scheme which will have 39 units and therefore capable of housing all of the existing residents in Grantham House. This is of course in the early stages and a number of issues have still to be resolved. Grantham House could also provide an option to negotiate an off market deal with a Registered Social Landlord (RSL) which could, in theory, provide a close to market value Capital receipt but also more options for social housing and /or a Foyer scheme.
24. The sheltered scheme in George Moore Close has recently been refurbished/re-modelled. It is then programmed to complete a small amount of work necessary in Knights House, Risinghurst. The full Sheltered Housing Review was presented to and approved by Executive Board at their meeting in November 2007.
25. Sheltered Schemes - Draft Timetable and recommendations

<i>Scheme & area</i>	<i>Recommendation</i>	<i>Year in plan</i>	<i>Exec Board Decision</i>
<i>Blackbird Leys</i>			
Windale House	<ul style="list-style-type: none"> • Refurbish to Decent Homes and minimum sheltered design standards. • Exploration of potential for redevelopment to include provision of sheltered housing and extra care underway – partnership with County 	2010-11	n y

Northbrook House	<ul style="list-style-type: none"> • Council and specialist Registered Social Landlord • Refurbish to Decent Homes and minimum sheltered design standards 	2010-11	n
Littlemore			
Alice Smith House	<ul style="list-style-type: none"> • Disposal – difficult to let, expensive to refurbish/remodel • Capital receipt to contribute to Decent Homes programme and remodelling work 	2010-11	y
Cardinal House	<ul style="list-style-type: none"> • Remodel to meet Decent Homes and mobility standards 	2008-10	n
Eastern House	<ul style="list-style-type: none"> • Refurbish to Decent Homes and minimum sheltered design standards. • Develop additional 6 units for mobility standard 	2008-09	y
Rosehill			
Singletree	<ul style="list-style-type: none"> • Refurbish to Decent Homes and minimum sheltered design standards 	2007-09	n
Donnington			
George Moore Close	<ul style="list-style-type: none"> • Refurbishment complete. 	2006-08	n
Jericho			
Grantham House	<ul style="list-style-type: none"> • Disposal – difficult to let, expensive to refurbish/remodel due to large number of bedsits with shared facilities and difficulties with site. • Scheme has been hard to let to applicants with sheltered housing needs and currently has 6 vacancies • Capital receipt for this scheme is substantial and would make a considerable contribution to the upgrading of schemes elsewhere in the city and the Decent Homes programme • Riverside development in Jericho to include 25 – 30 sheltered flats in a block through Catalyst Housing Association. Nomination rights would be granted to the City Council 	2008-10	y
Marston			

Bradlands	<ul style="list-style-type: none"> • Exploration of potential for redevelopment to include provision of sheltered housing and extra care underway. Sufficient units required to accommodate existing tenants who require sheltered housing. 	2008-10	y
	<ul style="list-style-type: none"> • Remodel site to Decent Homes and minimum sheltered design standards. 	2008-10	n
	•		
Cumberledge House	<ul style="list-style-type: none"> • Disposal – difficult to let and expensive to refurbish/remodel. • Smaller site than Bradlands that does not offer the same development potential. • Receipt from sale would contribute to redevelopment at Bradlands. 	2009-10	y
Headington			
Headley House	<ul style="list-style-type: none"> • Refurbish to Decent Homes and minimum sheltered design standards 	2010-11	n
Risinghurst			
Knights House	<ul style="list-style-type: none"> • Refurbish to Decent Homes and minimum sheltered design standards 	2007-09	n
Rowlands House	<ul style="list-style-type: none"> • Disposal approved, – difficult to let and expensive to refurbish/remodel. Awaiting vacant possession 	2007-08	n
Barton			
Birch Court	<ul style="list-style-type: none"> • Refurbish to Decent Homes and minimum sheltered design standards 	2010-11	n
Woodfarm			
Atkyns Court	<ul style="list-style-type: none"> • Refurbish to Decent Homes and minimum sheltered design standards 	2010-11	n

26. The above represents an outline programme by financial year. In order to carry out the improvement work the programme will require finer development to reflect the resourcing requirements for the refurbishment work and to tie in with the decant needs for each scheme. This will need significant input from Community Housing as the decanting of George Moore Close and Rowlands House has proven in the last 12 months.

Tower Blocks

27. A recent review of the Council's five tower blocks has been undertaken following extensive internal and external surveying by consultants and specialists. The review concluded that the blocks could have a further life of at least 30 years providing that a number of structural and design faults were remedied. Consultants are

reluctant to speculate on the blocks' length of life beyond this period but with periodic testing and maintenance works, the blocks are expected to have a life considerably in excess of the thirty years. The following is a summary of the reviews findings:-

a) Hockmore Tower, Cowley.

An eight storey block situated within the Cowley shopping centre (Templar Square) with 58 units, 12 of which are leaseholders. The two lower floors of this block form part of the shopping centre and it is considered therefore, to have significant potential for development by others.

b) Plowman Tower, Northway and Foresters Tower, Woodfarm.

These are sister blocks each having sixteen stories and built in the mid 60's with individual recessed balconies. There are 85 units to each of which there are 15 leaseholders in Plowman and 12 in Foresters. It is considered that the footprint of Plowman Tower lends itself to potential development and it is central to the Re-generation plans for Northway, the early stages of the process has started but no proposals or timetable have been agreed. The footprint of Foresters Tower is smaller and further work is necessary on re-development potential over a wider area.

c) Windrush Tower and Evenlode Tower, Blackbird Leys.

These sister blocks are 15 stories high, built in the mid 60's with recessed balconies to each flat. Both blocks have 60 units of accommodation of which 4 in Windrush and 7 in Evenlode are leaseholders. The footprint of Windrush is not considered large enough for re-development although development of the recently demolished garage blocks to the rear of it may provide scope for a small new-build project. Recent proposals for the redevelopment of the Oxford and Cherwell College Campus appear to include social housing within their plans but full details are not yet known. As this Campus is adjacent to Evenlode Tower there may be scope to develop this area to provide an equivalent number of social housing units.

28. Initial indications are that, of all the blocks, both Hockmore Tower and Plowman Tower are the ones that have most development potential but further detailed work would be needed to assess the viability of this, taking all factors into account, particularly tenant and leaseholder issues.

29. Tower blocks summary

Block	Total Units	No. of leaseholders
Hockmore Tower	58	12
Plowman Tower	85	15
Foresters Tower	85	12
Windrush Tower	60	4
Evenlode Tower	60	7
	348	50

Common Factors to all Tower Blocks

30. It should be noted that in almost all cases the improvement works can be carried out with the tenant insitu. Any elderly or disabled tenants that would prefer to be decanted while the works are carried out will be found permanent or temporary accommodation to suit their needs. A temporary refuge will be provided in each block for tenants during the refurbishment of their flats. Works will not be undertaken to flats subject to RTB or lease agreements.
31. Structure – all were in good condition with limited denigration considering their 40-year life to date. There is a recommendation to install more wall ties, especially if additional loading in the form of insulation is applied. Cold bridging is a common problem particularly adjacent to balconies, the ends of floor/ceiling slabs and external columns. This results in an increased risk of condensation and associated black mould.
32. Decent Homes works – a number of flats have already been improved during void works but the remaining will need, in the main, new kitchens and rewiring. Heating/insulation is covered separately below.
33. Windows – all blocks have PVCu double glazed windows but due to their age, a number of weather seals have deteriorated and double-glazing panels failed. This, together with dated design and poor ironmongery, has resulted in the recommendation to replace the windows at the same time as the installation of external insulation in order to save on significant scaffolding costs in the near future.
34. Roofing – infrared thermographic imaging has shown that only Hockmore Tower has significant problems and that these could be overcome with a patch solution.
35. Heating/Insulation – all blocks have dated electric storage heating systems and therefore, as a minimum, new controllable electric storage heating should be installed which, together with improved

insulation, would provide more affordable heating for tenants. Consideration could be given to the installation of a new energy efficient Combined Heat and Power (CHP) system powered by gas or a biomass system. A recent report to look at Windrush and Evenlode blocks has been commissioned and the initial findings show that CHP is feasible. The consultants have estimated that Capital funding of £1.1m per block (including a boiler room, new infra-structure of pipe-work and metering, together with controls and a new wet radiator system to flats) is needed. As new heating will be needed anyway, this would result in an estimated average extra-over cost of £965k per block. These estimated costs are the consultants and are subject to closer scrutiny.

36. Digital TV – all blocks, with the exception of Foresters Tower, need upgrading to digital TV with the facility to have a satellite receiver on the roof, which would prevent unwanted satellite dishes on the face of the blocks.
37. Fire prevention – it would be prudent to improve the standards of fire doors in communal areas and the fire escape routes within flats together with upgraded fire alarm systems. The fitting of automatic smoke vents to communal lobbies and fire stops between floors is required as well as improved emergency lighting and signage.
38. Lifts – all lifts have been reconditioned within the last fifteen years but do not meet current standards. All blocks have two lifts but, with the exception of Hockmore Tower, each lift stops on alternate floors. It is therefore proposed, that new lifts are installed with a facility for each one to stop at every floor.
39. Communal electrics – the mains supply needs upgrading and lengthy discussions are continuing with suppliers over its renewal. A major stumbling block being the capacity of the system, if a CHP system were to be installed the capacity of the existing supply would not be a problem and therefore the suppliers would be solely responsible for the replacement. Communal lighting levels need to be improved and be made more energy efficient.
40. Asbestos – in most cases this would be removed when internal works are undertaken, but in some cases encapsulation is more appropriate. In all cases, advice from the Council's Asbestos Technician would be taken.
41. Security – a pilot CCTV scheme is shortly to be installed at Foresters Tower and a further specific report on this will be presented to Members at a later date. Based on the experience of the pilot, CCTV will be installed to all blocks on an incremental basis.

42. Leaseholders – full consultation will be undertaken with tenants and leaseholders alike, however, the costs recoverable from leaseholders are currently being assessed. The costs of repair/renewal are covered within the leases but legal advice is that some of the costs of improvements, such as insulation, upgrading communal areas and even the installation of new lifts may not be rechargeable. Even without these, leaseholders charges are likely to be high and therefore resisted by the leaseholder. This could slow down the work programme considerably unless the Council has a robust strategy for addressing recharges.

Currently Oxford City Homes are actively encouraging leaseholders to become involved in the Repairs and Improvements Topic Panel. This will be a forum where all repair/improvement issues will be discussed with tenants, and leaseholders who have expressed an interest in being involved with this topic.

43. Finance (Tower Blocks) – the following chart shows the estimated costs for all five of the Council's tower blocks:-

Costs to 20010/11

ELEMENT	SAVILLS'S ESTIMATE £000's	REVISED COST PLAN £000's
Decent Homes	6,257	6,680
Structure	2,000	4,962
Fire Precautions		668
Communal Works		1,652
Balconies		1,000
Statutory Costs		176
TOTAL	8,257	15,139
Leaseholder Charges – if 100% of costs are recovered		1,300
Council Funding Required		13,839
Less already allocated following the Savills survey		8,257
SHORTFALL		5,582

Note:- as mentioned in paragraph 42 above, legal advice is that the Council will only be able to recover a very small amount of improvement costs from leaseholders, in this case the shortfall could increase by approximately £1m to £6.6m.

The figures within the chart do not include the cost of installing CHP, which could result in further costs of £4.5m. Grants could offset some of these costs and there will be revenue savings but in the main, residents will be the main beneficiaries with lower fuel

bills. It would however go a long way to helping the Council achieve its carbon emissions target.

44. If all suggested works are carried out, tower blocks would have a further 30 year life span at a cost of £15.139m or an average spend of £43,500 per unit (ignoring leaseholder contributions). A lead in time to carryout this work by external contractors is likely to be around 18 months and take up to three years to complete. This time span takes us beyond 31 December 2010. However GOSE have indicated that extra time would be granted if there was a firm decision and plan on what was being achieved (e.g. extending lifespan by 30 years) and an approved plan on how the spend would be financed.

45. The options appear to be as follows:-

- a) Carry out decency work only, up to value in current programme of £8.257m.

Risks being that this expenditure will be incurred without giving any longevity to the lifespan and not addressing key problems with the structure etc. Extension of time by GOSE/CLG may also not be granted.

- b) Carry out full programme of works and identify and approve asset disposal to finance spend.

Risks being that very heavy expenditure is incurred and prospective new tenants remain reluctant to bid for accommodation. Need a clear idea of how to fund it. There are potential problems with leaseholders making contributions towards costs.

- c) Conduct a detailed investigation into how potential developers would assess the viability of purchasing one of the tower blocks and assess how the Council would accommodate existing tenants and deal with leaseholders. The objective of which is to reduce liabilities and/or generate income. This potentially being part of a re-generation programme.

The risks to this are that there may not be a reduction in liability and still have major longer-term costs to accommodate tenants. There are potential buyout problems with leaseholders. The Council will still have to dispose of other assets to fund the gap.

- d) Consider the potential of sale and leaseback.

The risk is that it is more expensive long term and the Council would lose control.

- e) A combination of a) and carrying out a full feasibility study. The blocks being made decent in the short term but a programme to re-develop/improve the area and/or blocks being undertaken up to 2020. Detailed work on the development potential and realistic timescales would have to be carried out by a specialist consultant as the Council does not have the necessary resource/expertise to undertake this. This approach would give short term essential maintenance followed by longer term re-development/re-generation.

The risks being that GOSE may not approve of this approach, abortive work will be undertaken and the fact that if decent homes work and improvement works are carried out at different times, increased costs are inevitable and there may be some disturbance to previously undertaken work. Further risks being, long time span, fewer social housing units, vacant possession required and considerable tenant and leaseholder issues.

- f) The situation with regard to Hockmore Tower is a little different and the options for redevelopment etc. more limited because it is attached to the Templar Square Shopping Centre. Therefore, notwithstanding the decisions made above, separate consideration may need to be given in respect of this block.

46. Indicative timetable for achieving option e above within current financial limits:-

2008/09 Carryout detailed appraisal of development potential of blocks and surrounding area and linking into known future re-generation projects.

Subject to the outcome of the above appraisal-

2009/10 Windrush Tower decent homes work
2010/11 Evenlode Tower decent homes work
2011/12 Plowman Tower decent homes work
2012/13 Forresters Tower decent homes work
2013/14 Hockmore Tower decent homes work

Possible timetable for blocks with current potential for re-generation/development-

2009/13 Options for Evenlode Tower in association with development of the adjacent campus and garage site for new-build social housing.

2010/16 Regeneration of Northway area to include options for Plowman Tower and new-build social housing.

2010/16 Within this period, and subject to the outcome of re-generation/development projects providing the necessary Capital receipts, carryout works over and above decent homes to Windrush Tower and Forresters Tower.

As stated in paragraph 45(f), separate consideration is necessary in respect of the long-term future of Hockmore Tower.

There are of course, many variations possible, some of which will be eliminated once the results of the proposed appraisal are known. It is imperative therefore that a full appraisal is carried out in the next financial year in order that a clear programme and financial profile is known.

The group is requested to consider which option, or indicate an alternative, for officers to pursue.

Non-Traditional properties

47. Only those property types with known defects are listed below:-

- a) B.I.S.F. (steel framed) – 131 units in Barton. No structural frame problems but new roofs and external cladding is required to improve insulation values and the appearance of the buildings.
- b) Orlits – excluded due to the re-development programme.
- c) Aireys – 17 units in Littlemore. Concrete frame is defective and needs remedial work. Windows need replacement with PVCu double glazed.
- d) Howard Houses (steel framed) – 199 units in Rose Hill and Barton. No structural problems but the construction has resulted in additional decent homes costs due to the replacement of internal wall linings.
- e) Minox – 190 timber framed properties in Rose Hill and Barton. No structural problems but the properties are poorly insulated and internal thermal lining is the only cost effective solution. Under decent homes this work is not a requirement but from an affordable warmth, global warming perspective it is.
- f) Glen Lyon Bungalows – there are currently 20 units in Rose Hill. A few have been demolished when void due to their poor structural condition. The concrete slab has cracked and wall

panels are subject to excessive movement. The remaining properties are being monitored and the area is being considered for Phase two of the Rose Hill re-development.

- g) General properties – Leiden Road area, Woodfarm. A number of these properties have structural defects caused by the ground conditions. Considerable sums have been spent to date to try to stabilize the properties but to no avail. Serious consideration should be given to demolishing and re-developing this area. There has been no allowance in Savills costs for any remedial structural works to these properties, only decent homes works were allowed for. Demolition and decant costs would also be applicable.

48. Finance (Non-traditional) -

The high level costs indicated below exclude the costs that Savills had allowed for in their original report and therefore only indicate the shortfall in funding:-

B.I.S.F.	£ NIL (within sums estimated by Savills)
Orlits	£ NIL
Aireys	£1.032m
Howards	£ NIL (within sums estimated by Savills)
Minox	£0.950m
Glen Lyon	<u>£NIL</u> (subject to decisions on their future – see above)
Total shortfall	<u>£1.982m</u> excluding any works to the Leiden Road area.

Satellite Estates in Abingdon and Kidlington

49. Savills identified that a total funding of £858,245 was needed to meet the decent homes standard on the housing stock in Abingdon (based on 123 units, there are now 96 units)) and a further £355,645 on the stock in Kidlington (114 units, now 111). An average of £7k in Abingdon and £3.12k in Kidlington. This stock is programmed for decent homes work in 2010/11.
50. The rental income (2006/07) for Abingdon was £341,594 and for Kidlington £380,906.
51. It should be noted that the stock in both areas are an extremely attractive transfer proposition for RSLs and two in particular have shown an interest. However, with a relatively small estimated cost of decent homes works, both areas remain a good asset for the Council.

52. Tenants in both areas feel that they are neglected but this is, in the main, due to them having no direct Councillor representation rather than any particular problems. To transfer the stock, it would require a positive vote from the tenants of the properties concerned. Any sale would be a partial transfer, so the amount realised would be the social housing value only, thought to be in the region of £5k per unit or around £1m total.

Garages

53. A recent report to the Executive Board on 18 June 2007 highlighted the current situation with the Council's HRA garage stock. The Board approved the recommendations to explore development options for the worst blocks containing a total of 93 garages (category 4) and implement changes to the Garage Agreement. Any Capital receipts from the sale of Category 4 garage sites would be used to improve the remaining garage stock, it is predicted that there will not be any surplus to top-up the decent homes budget. A further report will be submitted to the Executive Board once the development potential of the blocks has been fully explored.
54. Owing to the acute shortage of social housing in the city, if Capital receipts are needed, it is prudent to dispose of assets other than houses. Due to the under occupation of garages it is considered that a further review of category 3 sites should be undertaken to find suitable sites that may produce a net Capital receipt for decent homes.

One Bed Flats

55. 47% of the Council's flatted properties are one-bed units. There is obviously a need for some single accommodation but the real housing need in the City is for family homes. There are a number of blocks within the City that could be the subject of off-market deals or open market sale and further work needs to be done to explore the possibilities in this area. Housing Advisory Panel has already endorsed this approach.

Maisonettes

56. Maisonette blocks, located primarily in Blackbird Leys and the Friars Wharf area, although not a particular problem from a decent homes perspective, they have external, exposed, walkways/steps and are unpopular with applicants and residents alike. These sites offer a potential source of Capital receipts and the retention of social housing and offer an opportunity to redevelop/regenerate the area and further feasibility studies need to be undertaken. There are

currently 36 maisonette blocks within the city with a total of 368 units of which 80 are leaseholders (22%).

Infrastructure

57. The HRA manages not only the housing/shops/garages stock previously described but also large communal areas surrounding houses, blocks of flats and many grassed areas, footpaths, drains and roads. In many of these areas the bulk of the housing ownership is private but the HRA inevitably meets the cost of any repairs.
58. Some examples of this are as follows:-
- Peppercorn Avenue, Woodfarm – HRA private (unadopted) road 6 of the 18 bungalows are privately owned. A budget of £100k is needed to bring the road up to standard.
- Bears Hedge, Iffley, - an area of grassed HRA land does not have a Council tenancy within half a mile.
- Preachers Lane/Friars Wharf, St Ebbes – the HRA is responsible for a public footpath through the area from the Isis to Speedwell Street, which is heavily used by members of the public the majority of which are not Council tenants.
59. Clearly, it is unfair that the funding for the maintenance of areas not used by Council tenants, or where they are the minority of users, should fall wholly within the HRA i.e. funded from tenants' rents. It is proposed that further work should be done to identify similar problem areas and to report to Members during 2008 on the extent of the problem and the options to resolve it.

Bullstake Close

60. Owing to the recurring problems with flooding in the area of Bullstake Close, investigations are needed to seek a long-term solution to protect the Council stock in the Close. There are 22 flats, mainly occupied by the elderly, 6 houses of which 3 are sold and a block of 6 garages. Consultants are currently undertaking a feasibility study, the results of which will be known during October 2007 and in the meantime, all efforts are being made to ensure that tenants can return to their homes as soon as possible.

G.O.S.E. meeting

61. Due to the particular issues with the tower blocks and sheltered schemes, particularly the funding shortfall and leaseholder recharges, officers from the Council recently met representatives from the Government Office South East (GOSE) to discuss the possibility of extending the 31 December 2010 decent homes deadline. In general terms GOSE thought this feasible, mainly in order to thoroughly explore all options, particularly taking into account possible re-development in the communities.
62. It was clear that, to be successful in any application to extend the deadline, the Council must show clarity in proposed funding arrangements and all party commitment to achieve the revised goals. It was also clear that the deadline would only be extended for particularly difficult areas such as the tower and sheltered blocks and would not extend to the housing stock as a whole.
63. The final decision on the extension of the 31 December 2010 deadline, will be made by the Government Office of Communities and Local Government (CLG) and officers will advise them of the Council's intentions following the Executive Board's decisions.

Summary

64. Incremental, piecemeal decisions on sections of the HRA housing stock are not helpful. With the fast approaching 31 December 2010 deadline for decent homes, a clear HRA stock strategy is clearly needed and Members must satisfy themselves that it is consistent with the original Stock Option Appraisal.
65. Key decisions need to be taken within the next six months on the make-up of the Council HRA housing stock and the funding levels that need to be achieved.
66. The consequences of taking the strategic view, is that it may cause short-term delays with this years decent homes targets and subsequently cause a peak later in the programme. However, from a value for money perspective, it is prudent to deal with the strategy now rather than delay.
67. The overall picture is always moving and needs constant monitoring. The decent homes scenario becomes clearer as more surveys are completed and income from sales are known.
68. A number of areas could be suitable for re-generation or re-development but this may be hampered by the presence of RTB properties, in all cases therefore, as part of the assessment process, the buying back of RTB properties will be considered.

Recommendations/Potential Scenarios

69. Officers are of the opinion that the following action should be taken:-

- a) Sheltered Blocks – to sell four schemes at market value and use the proceeds to fund decent homes and re-modelling works on the remaining blocks:-

This would result in an estimated surplus of £2,184,327 being available to top-up the decent homes budget.

Further consultations/negotiations should take place with RSL partners with regard to off market deals, as described in paragraph 23.

- b) Tower Blocks – To adopt option (e) in paragraph 45 above, to bring all five blocks up to decent homes standard by 31 December 2010 and, in the short term, employ a specialist consultant to appraise the options and produce a report setting out a realistic timescale and financial profile. It is estimated that this will cost in the region of £40k and this bid has been included in the consultation budget as a pressure bid for the next financial year (2008/09).
- c) Non-traditional properties – to carry out a feasibility study in 2008 on the re-development of the Leiden Road area and to include the Glen Lyon bungalows within Phase 2 of the Rose Hill Re-development. Within a similar timeframe, to consider developing the site of the Airey houses to provide a Capital receipt and provide new-build social housing. To internally insulate the Minox properties as highlighted in paragraph 47e, this work will be completed when decent homes works are carried out.
- d) Satellite estates – with a low decent homes cost, these estates remain good assets for the Council and the proposal is to retain them.
- e) Garages – to market the category 4 sites and to use the receipts for repairing/upgrading the remaining sites. It is predicted that this will be cost neutral. At their June 2007 meeting, Executive Board approved this approach.
- It is also proposed to assess the marketability of Category 3 sites in order that funds could be made available for decent homes work. This assessment will be carried out by the end of December 2007.
- f) Investigate the options for Bullstake Close to prevent the recurring flooding of the properties.

Timescales

70. The Sheltered Review was presented to the Housing Scrutiny Committee in October 2007 and the Executive Board in November 2007. The decisions made will map the future for sheltered blocks in the City. Work on the George Moore scheme is now complete. Continuity of work and progress in this area is essential.
71. A detailed report on tower blocks was presented to Housing Scrutiny Committee in November 2007 and is on this agenda. Following this, if necessary, an application may be made to the CLG to seek approval for the proposal to extend the decent homes deadline on the tower and sheltered blocks. Owing to the big lead-in time for work on tower blocks an early decision on their future is essential.
72. Further reports on the Leiden Road properties, one-bed flats and maisonette blocks, will follow in the early part of 2008.
73. If the proposal in 69 b is adopted it is expected that a full report will be presented to the Executive Board in the Autumn of 2008.

Appendices

74. Appendix 1. Discretionary schemes

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Background papers: Savills report data
Capital receipts data

