

Report of: Head of Oxford City Homes
To: City Executive Board
Date: 3 September 2008 **Item No:**
Title of Report: Options for 16 Edmund Road, Cowley.

Summary and Recommendations

Purpose of report: To give the options for 16 Edmund Road, a one bedroom traditionally built bungalow which is currently vacant and with subsidence damage.

Key decision: No

Board Member: Councillor Ed Turner

Report Approved by:
Finance: Dave Higgins
Legal: Jeremy King

Policy Framework: More housing, better housing for all.

Recommendation(s): To instruct the Executive Director, City Services, to adopt Option 3 - to retain and carry out the necessary remedial/adaptation works and re-let to a disabled person.

Background –

1. This one bedroom bungalow is a traditional brick built, end terrace property, which is currently void.
2. The structure of the property is showing signs of subsidence and consultants have recommended that substantial works are needed to stabilize the property. There are also works needed to meet the decent homes standard.
3. It has been estimated that a budget of circa £46,000 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 £8,500.

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 carry out the structural and refurbishment works necessary and re-let to those on the waiting list.
7. Option 3. To retain and carry out works as in Option 2 above and in addition to adapt the property to enable a disabled tenant to be accommodated. Due to the layout of the property only minimal works could be carried out e.g. remove bath and install level access shower, it might be difficult to accommodate a wheelchair user or severely disabled person.
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.

Proposals -

9. Owing to the low valuation and shortage of bungalow accommodation, the proposal is to adopt Option 3. That is to retain and adapt the property, carry out the works necessary and re-let to a disabled person under the Choice Based Lettings scheme.

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 (shown in the confidential appendix) would be generated which would help with decent homes funding.
15. Option 2. Retain and refurbish to decent homes standard, would maintain a revenue income but would result in Capital costs of circa £46,000 including fees.
16. Option 3. Retain and adapt for a disabled person. It is estimated that an additional cost of £4,000 would be needed, resulting in a total estimated cost of £50,000 for the works, including fees.
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.
19. To instruct the Executive Director, City Services, to adopt Option 3 - to retain and carry out the necessary remedial/adaptation works and re-let to a disabled person.

Appendices -

Appendix 1 - exempt from publication financial summary.

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Background papers: Independent report and valuation