

**To:** City Executive Board  
**Date:** 11 May 2017  
**Report of:** Head of Housing Services  
**Title of Report:** Disposal of 156 Walton Street

<b>Summary and recommendations</b>	
<b>Purpose of report:</b>	CEB is asked to approve the marketing and sale of the freehold of 156 Walton Street on the open market and the use of the resulting receipt to purchase additional affordable homes for households in need.
<b>Key decision:</b>	Yes
<b>Executive Board Member:</b>	Cllr Mike Rowley, Board Member for Housing
<b>Corporate Priority:</b>	Meeting Housing Needs, An Efficient and Effective Council
<b>Policy Framework:</b>	None.
<b>Recommendations:</b> That the City Executive Board resolves to:	
<ol style="list-style-type: none"> <li>1. <b>Approve</b> in the disposal of the freehold of 156 Walton Street and delegate authority to the Head of Housing to approve the actual terms following a marketing exercise.</li> <li>2. <b>Note</b> that a further report will be submitted to a future CEB setting out the preferred route for purchasing the additional properties once options and the most expedient route have been fully understood.</li> </ol>	

<b>Appendices</b>	
Appendix 1	Risk Register
Appendix 2	Initial Equalities Impact Assessment

## **Background**

1. 156 Walton Street is a high value 4 storey 4 bedrooled property located in high value Jericho and previously let to general needs households as part of the Council's housing stock and is accounted for within the HRA. It has most recently been let at a rent of £165.55pw and is now vacant and in a poor condition. With the property now vacant there is an opportunity to consider future use and whether or not housing needs could be better met by disposal and re-provision.

## **Refurbishment**

2. It is estimated that the property could be returned to a lettable condition for approximately £35,000. It would also be possible to convert the basement into 2 extra bedrooms although it is likely that the property would lack a bathroom for the number of bedrooms.
3. A six bedrooled property would be used to meet the needs of a household that is currently overcrowded of which there are several within the city.

## **Sale**

4. Two agents have been approached to give their professional opinions of what a sale could realise. Both were in agreement that the property would be in demand and that a starting price for marketing should be set at £995,000 although it would be possible that a higher price would be realised. Sale costs would likely be in the region of £10,000 inclusive of marketing and legal costs. Agents advised that it would be preferable to market the property in its current condition

## **Use of the Receipt**

5. The receipt should be sufficient to allow the purchase of 3 additional properties in or around Oxford such as 1 x 5 & 1 x 4 bedrooled houses and 1 x 2 bedrooled flat. Government regulations allow the entirety of a receipt from a voluntary HRA sale to be used for the acquisition of affordable housing.
6. Under General Consent C 2010 of s25 of the 1988 Local Government Act the Council can give grant for the purposes of providing rented housing. Hence the Council could provide the receipt to the housing company as grant to support the purchase of additional homes in and around Oxford to be let at affordable rents.
7. It is recommended that both re-provision options are explored further to ensure the most efficient delivery of the maximum number of larger homes which are in short supply and that this is the subject of a further report to CEB.
8. It should be noted that the second option is not included within the Housing Company's Business Plan and will require the agreement of the OCHL Board.

## **Financial implications**

9. As the sale of 156 Walton Street would be a voluntary disposal, not one under the Right to Buy, the Council does not have to pass the majority of this receipt to central Government under pooling, It is free to use the entirety of the receipt on:
  - a. The provision of affordable housing
  - b. Supporting regeneration either within the Council's HRA or General Fund subject to Secretary of States approval

c. Paying down debt

10. A first call on the receipt prior to making any grant payment will be the redemption of any debt attributable to the property, thereby ensuring that the HRA is not disadvantaged by making the payment.

**Legal issues**

11. Sections 24 & 25 of the Local Government Act 1988 allow Council's to make grants for the purposes of providing rented housing with the consent of the Secretary of State. Section C of the General Consent 2010 removes the need for such specific consent in circumstances such as these, the grant funding of a local authority owned housing company.

**Level of risk**

12. The risk register is attached at Appendix 1

**Equalities impact**

13. The Initial Equalities Impact Assessment is attached at Appendix 2

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**Background Papers:** None

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