

AGENDA MANAGEMENT SHEET

Name of Committee

The Cabinet

Date of Committee

2nd November 2006

Report Title

Council Housing Disposal Policy

Summary

This report seeks approval to a policy for the disposal of Council housing not required for operational purposes.

For further information please contact:

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Would the recommended decision be contrary to the Budget and Policy Framework?

No.

Background papers

Minute 16 (sale of Day-Manned Fire-Fighters Houses) of the Policy and Resources Committee on 30 April 1996

Part V of the Housing Act 1985 and Housing Act 2004 regarding Right to Buy.

CONSULTATION ALREADY UNDERTAKEN:-

Details to be specified

Other Committees

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Local Member(s)

Other Elected Members

For reference to Spokespersons of the Corporate Services O&S Committee (Councillors D. Booth, G. Atkinson and F. McCarney)

Cabinet Member

Councillor A. J. L. Cockburn:
Approved for consideration

Chief Executive

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Legal

Via Barry Jukes: Observations incorporated

Finance

Via Charles Holden: Observations incorporated

District Councils

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- Health Authority
- Police
- Other Bodies/Individuals

FINAL DECISION YES

SUGGESTED NEXT STEPS:

Details to be specified

- Further consideration by this Committee
- To Council
- To Cabinet
- To an O & S Committee
- To an Area Committee
- Further Consultation

Agenda No

The Cabinet – 2nd November 2006.

Council Housing Properties Policy for Disposal of non-operational housing

Report of the Strategic Director of Resources

Recommendations

That:

- 1) Approval be granted to the Council adopting a policy to offer for sale its 'non operational' housing to tenants at a discount reflecting the discount provisions under the 'Right to Buy' legislation.
- 2) No new service tenancies to be granted of 'non-operational' Council housing.
- 3) Approval be granted to the sale of individual 'non-operational' Council housing in accordance with the above policy on terms and conditions acceptable to the Strategic Directors of Resources and of Performance and Development.

Introduction

1. At the Cabinet meeting on 4th May 2006 officers were asked to propose a housing strategy for County Council owned property and a summary of housing owned by the Council.
2. The Council is a "local authority" for the purposes of Housing Act legislation in particular the Housing Acts 1985 and 2004 concerning the 'Right to Buy'. There are limited grounds upon which the Council can let residential accommodation and avoid the creation of a secure tenancy which would enable the tenant to exercise a right to buy the property.[which are detailed in Appendix A].
3. This report concentrates on 'non-operational' housing, which expression describes properties held by the Council but not in accordance with service needs. Appendix B lists Council owned housing split between operational and 'non-operational' housing.

4. The Council's housing stock is varied, being purpose built or acquired over time. The housing is generally basic in nature and has received little investment or maintenance work over time. Some improvement work such as replacement windows and new boilers has been carried out.
5. The housing stock is divided into 3 categories
 - Operational supporting Service
 - Operational for proposed development (highway improvements)
 - Non-operational

Operational Housing supporting Service

6. These properties include secondary school caretakers housing, Group Homes leased to Care Providers under a service contract or voluntary organisations providing accommodation and care to residents predominantly with learning difficulties or mental illness.

Operational Housing for proposed development

7. A number of houses and other sites have been acquired over time by agreement or in response to a blight notice served by the owner of a property unable to sell property due to a proposed scheme affecting the property at a future date. The majority of these properties relate to the Rugby schemes affecting Newbold Road and Lawford Lane. Formal abandonment of these schemes is required before these properties can be sold. A determination on these matters will be made by the Environment and Economy Directorate when the outcome is known of the Public inquiry held last year relating to the Rugby Western Relief Road scheme.

Non-operational housing

8. The former Education Department determined that there was no operational need for resident caretakers at non-secondary schools. A number of former caretakers houses/bungalows have been re-used by the school for alternative education purposes including nursery provision for example. Before disposing of a caretaker's house the operation of the school must be considered and also the effect of any sale on the retained school in the event of future expansion or closure with sale or redevelopment.
9. Fire fighters housing is no longer required for operational purposes. The majority of fire fighters housing was sold in 1996/7 under the Sale of Day-Manned Fire-Fighters Houses Scheme.
10. The Council also owns 2 'housing pool' properties occupied by former Council employees / spouses. Occupation of these houses is by way of a protected residential tenancy. When these properties are vacated they should be sold on the open market, as their location does not suit service need.

11. Similar to fire fighters housing, property occupied by the Shire Hall caretakers is no longer required for operational needs

Occupation of Housing by Service Tenancy

12. Council housing occupied by school and Shire Hall caretakers and fire fighters housing is let on a service tenancy basis. [In accordance with Appendix A] a service tenant occupying property for the better performance of their duties does not become a 'secure tenant' under the Housing Act and does not acquire a Right to Buy.
13. Accommodation charges for property occupied under a service tenancy vary. Shire hall caretakers pay 1.5% of gross salary. School caretakers pay an accommodation charge ranging from £750 to £1100 per annum indexed to salary increases. Fire fighters housing charges are on a similar low level to school caretakers adjusted for the size of property.

Previous Discount Schemes.

14. The Day-Manned Fire-Fighters Houses Scheme in 1996/7 was based on the relevant Right to Buy discounts, resulting in a maximum discount of 60% from market value.
15. Subsequent to this, individual sales of Shire Hall caretakers accommodation have been approved at a discount of 15%
16. Current Right to Buy legislation provides a discount starting (after a two-year qualifying period) at 32 per cent for houses and rises by 1 per cent per year to a maximum of 60%. However, this is subject to an overriding cap on discount of £26,000 for the West Midlands region. A clause for repayment of the discount is included in the sale agreement on a sliding scale over a 5 year period (previously 3 year period) i.e. repay 100% of the discount in the first year reducing to 80%, 60%, 40%, 20% and then nil in subsequent years in the event of resale of the property.

Current Situation

17. The accommodation charges received for service tenanted housing fall well below market rent. Furthermore the Council is responsible for maintenance of the exterior, structure, heating, water and electricity systems. The Service tenant is only responsible for internal decoration of the property. Annual maintenance costs incurred by the Council often exceed the accommodation charge payable. The Council is not well geared to provide housing for non-operational needs and does not benefit from economies of scale for the maintenance and operation of the housing stock. Housing is not a mainstream property function of the Council; legislation and Landlord obligations in respect of housing differs significantly from other types of property.
18. There is no policy for the disposal or retention of the Council's housing stock. Adoption of a policy would provide members, officers and occupiers

with a framework to consider individual disposals or retention for alternative uses.

Proposed Policy

19. The Council should differentiate between operational and non-operational housing. Where operational property is vacated or is no longer required for operational purposes it should be deemed as non-operational property.
20. Any vacant non-operational property should be considered surplus to requirements and sold unless an alternative Council use is identified and Cabinet gives approval to the changed use.
21. The Council should approach occupiers of non operational Council owned housing to consider purchase at a discount based on the current 'Right to Buy' provisions of the Housing Act as described in paragraph 16 above, subject to a condition requiring repayment of the discount on a disposal within 5 years of purchase ie 100% repayment of discount in year one reducing by 20% for each subsequent year.
22. Any disposal of housing in accordance with this policy to be on terms and conditions acceptable to the Strategic Directors of Resources and of Performance and Development.

Recommendations

23. The Cabinet is recommended to adopt the above policy for the disposal of non-operational housing.

DAVID CLARKE

Strategic Director of
Resources

Shire Hall
Warwick

26 September 2006

APPENDIX A

NATURE OF OCCUPATION OF COUNCIL HOUSING THAT PREVENTS A RIGHT TO BUY BEING CREATED

1. To an employee of the County Council for the better performance of his duties e.g. a caretaker or resident teacher.
2. To a member of the public for a term equivalent to the aggregate period(s) of the occupancy of the property by service tenants over the preceding three years.
3. If a property has not been occupied by a service tenant during the previous three year period, it can still be let to a member of the public for a term not exceeding 12 months provided that, before the grant of the tenancy, he resided out of the district in which the property is situated and that he has obtained employment or an offer of employment in the area. In this event, notice would have to be served on him that the tenancy was for the purpose of meeting his needs for temporary accommodation in the locality, in order to work there and of enabling him to find permanent accommodation.
4. It may be possible to let a property to a student to enable him to attend a designated course at an educational establishment. "Designated course" does have a specific statutory meaning and any proposal would be subject to further advice.
5. Subject to planning permission a property can be let on a business tenancy e.g. as a group home or to a Housing Association, provided that a Court Order has been obtained to exclude the security provisions of the Landlord and Tenant Act 1954.
6. Property located within an education establishment.

OPERATIONAL HOUSING

GROUP HOMES

LEAMINGTON SPA	1 East Dene 27 Grove Street 33 Grove Street 34 Southway 36 Southway 38 Southway 49 Rugby Road 8 Dale Street 94 Cubbington Road
NUNEATON	252 Weddington Road 36 Leicester Road
POLESWORTH	32 Station Road
STUDLEY	8 Lansdowne Road
WARWICK	14 Cherry Street 23 Guy Street 23 Hampton Street 24 Coventry Road 4 Broad Street 6 Broad Street 8 Broad Street

SHORT TERM EMERGENCY PLACEMENT ACCOMMODATION

LEAMINGTON SPA	43 Rugby Road
RUGBY	Children & Family Service, The Bridge, 55 Clifton Road

SCHOOL CARETAKERS HOUSING – SECONDARY SCHOOLS

ALCESTER	High School Technology College, Gerard Road St. Benedict's Catholic High School, Kinwarton Road
BEDWORTH	Exhall Grange School & Science College, Wheelwright Lane Nicholas Chamberlaine Technology College, Bulkington Road

COLESHILL	The Coleshill School – a Maths & Computing College
DORDON	Polesworth High School, Dordon Road
HENLEY-IN-ARDEN	High School, Stratford Road
KENILWORTH	School and Sports College, Castle Hall (Sixth Form) School and Sports College, Lower School (Abbey) School and Sports College, Upper School (Priory)
KINETON	High School – Specialised Sports College, Banbury Road
KINGSBURY	School, a Specialist Science & Maths College, Tamworth Road
LEAMINGTON SPA	Campion School and Community College, Sydenham Drive Manor Hall Educational Development Centre, Sandy Lane North Leamington Community School & Arts College, Lower North Leamington Community School & Arts College, Upper Trinity Catholic School, a Specialist Arts & Technology College
NUNEATON	Alderman Smith School, Radnor Drive Etone Community School & Technology College, Leicester Road George Eliot Community School, Raveloe Drive Higham Lane School, a Business & Enterprise College, Shanklin St. Thomas More Catholic School, Greenmoor Road

RUGBY	<p>11 Harris Drive</p> <p>Ashlawn School, Ashlawn Road</p> <p>Bilton School, a Maths & Computing College, Lawford Lane</p> <p>Lawrence Sheriff School, Clifton Road</p>
SHIPSTON-ON-STOUR	Shipston High School, Darlingscote Road
STRATFORD-UPON-AVON	<p>Grammar School for Girls, A Specialist Language College</p> <p>High School, A Maths & Computing Specialist College</p> <p>King Edward VI School, Church Street</p>
WARWICK	Aylesford School and Language College, Shelley Avenue

OPERATIONAL HOUSING ACQUIRED FOR HIGHWAY IMPROVEMENT SCHEMES

RUGBY	<p>101 Newbold Road</p> <p>103 Newbold Road</p> <p>105 Newbold Road</p> <p>107 Newbold Road</p> <p>109 Newbold Road</p> <p>111 Newbold Road</p> <p>113 Newbold Road</p> <p>113a Newbold Road</p> <p>18 Lawford Lane</p> <p>20 Lawford Lane</p> <p>27 Lawford Lane</p> <p>302 Bilton Road</p> <p>41 Newbold Road</p> <p>47 Newbold Road</p> <p>49 Newbold Road</p> <p>29 Lawford Lane, Bilton</p>
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NON-OPERATIONAL HOUSING

SCHOOLS CARETAKERS HOUSING – PRIMARY SCHOOLS

COLESHILL	St. Edwards Catholic Primary School, Packington Lane
HATTON	The Ferncumbe CE Primary School, The Green
NUNEATON	Wembrook Primary School, Avenue Road
STOCKTON	School House, Napton Road

HOUSING POOL – OCCUPIED BY RETIRED STAFF,
PROTECTED TENANCY

ALCESTER	Polkerris, Oversley Green
ASTON CANTLOW	3 The Gables, Burbage Road

SHIRE HALL CARETAKERS HOUSING

WARWICK	131 Hanworth Road 28 Cape Road 31 Shakespeare Avenue
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FIREFIGHTERS' HOUSING

COLESHILL	22 Lawnsdale Close 41 Wingfield Road 57 Parkfield Road
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