

Bolsover District Council

Executive

31st October 2016

96 & 100 Duke Street Creswell

Report of the Portfolio Holder for Housing

This Report is Public

Purpose of the Report

- To recommend that Executive rescinds its previous decisions to sell these properties.
- To recommend that Executive agree to refurbish these properties for social housing use.

1 Report Details

- 1.1 96 and 100 Duke Street that are Council properties. They are both three bed properties that have proved difficult to let because of their size, location and lack of external space. The introduction of the bedroom tax meant that properties of this size can only be let to families with two or more children. Within the Council's housing stock there is an oversupply of three bed properties.
- 1.2 The original decision to sell the properties was made in July 2014. In September 2015 Executive resolve to make an application to the Secretary of State for Communities and Local Government under section 32 of the Housing Act 1985 for the disposal of 96 & 100 Duke Street to a purchaser who did not intend to use the properties as his/her only or principal home. This was intended to maximise the sale price to the benefit the Council as the advice from the auctioneers was that these properties were likely to be most attractive to private landlords.
- 1.3 Both properties failed to sell at auction at a reserve price of £51,000 each. The Council received offers for the properties of £39,000 and £40,000 which were refused.
- 1.4 In the interim a neighbouring Council property became void. Given the low price that had been offered for similar properties a consideration of the available options was undertaken. Following discussion at the Housing Stock Management Group, the recently vacated 2 bedroom property was modernised to the Bolsover Void standard and successfully let. This effectively demonstrated that a two bed property was attractive to potential tenants. The estimated cost of the associated works to modernise 96 & 100 Duke Street, including moving the bathroom into

one of the bedrooms, is £5,000 per property. On the basis of the potential sales value of these properties and the cost of refurbishment into two bedroomed homes, officers have come to the view that refurbishment is the appropriate option in the case of these properties.

- 1.5 It is therefore recommended that Executive rescind the decisions of July 2014, and September 2015, and return the properties to the Council housing stock having completed the refurbishment as outlined within this report.

2 Conclusions and Reasons for Recommendation

- 2.1 Following the failure to achieve the anticipated sale price for the two properties at Creswell together with the identification of a cost effective refurbishment option it is recommended the Council should refurbish and return 96 & 100 Duke Street Creswell to the housing stock. This will secure best value for the Council's Housing Revenue Account, whilst providing additional affordable social housing for local residents.

3 Consultation and Equality Impact

- 3.1 None directly.

4 Alternative Options and Reasons for Rejection

- 4.1 To continue with sale and reduce the reserve at auction. Rejected as this provides poor value to the Council

5 Implications

5.1 Finance and Risk Implications

Having explored the options that are available to the Council that of refurbish and remodel as two bedroom properties has been evaluated as the appropriate option, as this makes the better financial contribution to the financial sustainability of the Council's HRA. The costs of the recommended refurbishment can be met from within the currently approved Housing capital programme.

5.2 Legal Implications including Data Protection

None

5.3 Human Resources Implications

None

6 Recommendations

- 6.1 That Executive rescind the decisions of July 2014 and September 2015 regarding 96 and 100 Duke Street
- 6.2 That both properties are converted to 2 bed properties by relocating the bathroom from the ground floor into a bedroom.

6.3 That both properties are advertised through the Councils Choice Based Lettings Scheme.

7 Decision Information

Is the decision a Key Decision? (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
District Wards Affected	Creswell
Links to Corporate Plan priorities or Policy Framework	

8 Document Information

Appendix No	Title
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Report Author	Contact Number
Peter Campbell	3038

Report Reference –