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LONDON BOROUGH OF CAMDEN
EXECUTIVE REPORT CONSULTATION SHEET

REPORT TITLE (as shown in the Forward Plan): Future Options for remaining short life housing property		
NATURE OF DECISION (as shown in the Forward Plan): To agree a way forward for the remaining shortlife properties considering rehousing options for qualifying occupants and the investment options for affected properties.		
DATE OF MEETING: 14 th September 2005	FORWARD PLAN REF NO.: HO/2005/20	AUTHOR: Janet Sutherland
DRAFT TO LEGAL, FINANCE & CTTEE SVCS BY: 23 rd August 2005	LEADER'S BRIEFING:	FINAL REPORT TO CTTEE SVCS BY: 2 nd September 2005

If you need to change the title or description in the Forward Plan, please ensure you let your FPC know as soon as possible as the Forward Plan will also need to change. The Forward Plan is published around the 16th of each month. Any changes MUST get to Committee Services at least a week before that. Make sure you know when to get information to your departmental FPC.

LIST OF CONSULTEES

Please name all officers to be consulted. The Director, your Line manager and the Departmental Finance Officer must be included.

Please ensure that you have considered all potential consultees:

- Does it raise personnel issues?
- Are there financial implications?
- Are other departments involved?
- Should other departments be involved?

DEPARTMENT	NAME	CONSULTEES PLEASE INITIAL AND DATE
Housing	Michael Scorer	
	Neil Litherland	
	Gerri Scott	
	Sue Robertshaw	
	David Padfield	
	Melissa Dillon	
	Hilary Holmes	
	Rhys Makinson	
Angela Spooner		
Pat Hayden		
Cath Armstrong		
Ian Williams		

	Sharon Calvey Marek Wiluszynski Bonny Stevens Larissa Laing	
Property Services	Brian Jefferies	
Environment	Dave Reidy Kate Moyes	
Finance	David Brown	
COMMITTEE SERVICES	Vicky Wemyss- Cooke	
LEGAL	Ursula Taylor Stephen Rix Martin Gilley	

AUTHORS: Please ensure that a copy of this sheet is attached to each copy of your report sent to each consultee. (That way each knows who is being consulted.). This should preferably be done by e mail. Hard copies are not required. The sheet should be sent to Committee Services with your report at the end of the process.

LONDON BOROUGH OF CAMDEN	WARD: Bloomsbury, Cantelowes, Camden Town with Primrose Hill, Fortune Green, Gospel Oak, Haverstock, Holborn and Covent Garden, Kings Cross, Kentish Town, Regents Park, West Hampstead, Swiss Cottage
REPORT TITLE: Proposals for Remaining Short Life Housing Property HO/2005/20	
REPORT OF: Director of Housing	
FOR SUBMISSION TO: Executive	DATE: 14 September 2005
<p>SUMMARY OF REPORT:</p> <p>To approve the specific proposals for individual properties and one site contained in the report. This report requires a decision by the Executive as it recommends disposing of some Council assets.</p> <p>The Executive agreed on 28th July 2004 a strategy for the future of the remaining shortlife properties which aims to retain as many as possible for permanent social housing and dispose of any uneconomic to retain. This report considers specific proposals for a number of these properties and provides an update on progress on the remainder. In addition recommendations are made for an empty property at Broomsleigh St and a site at Ravenshaw Street.</p> <p>Local Government Act 1972 – Access to Information</p> <p>Report to the Executive 28th July 2004 – Future Options for Remaining Short Life Housing Property.</p> <p>Contact Officer: Janet Sutherland Bidborough House 20 Mabledon Place, London WC1H 9BF</p> <p>Telephone: 020 7974 5524 janet.sutherland@camden.gov.uk</p>	

RECOMMENDATIONS:

1. That the Executive agree the overall approach and the specific recommendations for individual properties set out in para 3.4, 3.5 and 3.6 . These proposals have been developed in accordance with the principles agreed by the Executive on 28th July 2004 and have been subject to an Options Appraisal detailed in the Part II report.
2. That the Executive support the proposal to explore a lease option with ARHAG for the properties managed by Odu Dua (3.7.4), subject to completion of an option appraisal and agreement on final details.
3. That the Executive confirms that qualifying residents who have been in occupation for 5 years on 14th September 2005 may be offered permanent housing.
4. That the Executive approves the appropriation at market value of the commercial part of 39 Tottenham Street to the General Fund, to take effect on the date of sale of the residential part (para 7.4).
5. The Executive is asked to agree the proposal that receipts generated from disposals set out in para 3.6 be used to fund the cost of repairs and conversion works shown in the PII report relating to properties identified for retention in paras 3.4 and 3.5. Any balance would be retained by the council on completion of the works.
6. That the Executive support the approach set out in para 5.3 to procure major rehabilitation and conversion works for street properties proposed for retention.

Signed by _____

Date

1. Introduction

This report concerns the last remaining properties in use with short life groups in Camden. It makes specific proposals for 16 properties and one cleared site and updates the Executive on progress on the others.

2. Background

- 2.1 The Council has been implementing a short life strategy since the early 1990's when there were about 600 units in shortlife use. This strategy has been successful in bringing the majority of shortlife properties into permanent social housing through sale to housing associations, and to provide permanent rehousing for qualifying residents. A few properties, which were not viable for this approach, have been sold on the open market and receipts ring fenced to enable some properties to remain in Council ownership. Through the implementation of the strategy additional permanent social housing has been created and the Council now has access to future nominations to a large pool of modernised homes.
- 2.2 However, this strategy relied upon substantial amounts of Social Housing Grant at a high rate per home from the Housing Corporation. This quantity and rate of grant is no longer available and it is considered unlikely that these remaining properties will be attractive to housing associations. Therefore alternative solutions have had to be found for them. In addition, because many of these properties have been in shortlife use for over 20 years the majority of the remaining residents will qualify under current Council policy for rehousing and there are fewer options to sell vacant units.
- 2.3 The Council has a current policy of offering permanent rehousing to qualifying shortlife occupants of more than 5 years residence in L B Camden shortlife properties at the point of scheme approval, when the property they occupied was handed back for sale or refurbishment. This was reconfirmed by the Executive in July 2004. Those of under 5 years' residence are on Assured Shorthold Tenancies (ASTs) with their managing agent or housing association (HA), and have known from the outset of their tenancy that they would not be offered permanent rehousing unless they qualify as applicants to the housing register. They are offered advice and assistance only.

3. The Last Short Life Properties

- 3.1 This report contains the results of the further investigations agreed by the Executive in 2004. Detailed surveys and costings have been undertaken to ascertain the viable options for individual properties and a full options appraisal of the relative benefit to the Council of retention or disposal has been completed.

3.2 Specific proposals have been developed for 16 properties containing 35 households and one cleared site. Two properties previously identified for retention by the Council are included. 41 Broomsleigh Street will provide a 4 bedroom house if funded through this programme. The property at 22 Ravenshaw St proved uneconomic to repair and was demolished. The cleared site is now recommended for disposal. The remaining 20 properties are subject to ongoing negotiations or proposals for the future.

3.3 The properties are very varied in terms of condition, value, legal status of the occupiers, and length of time that residents have been in occupation. Therefore it is not possible to provide a single solution for all properties. Three main categories have been identified

3.4 Properties to be retained as permanent Council stock with existing occupants

3.4.1 The majority of these properties in this group require only limited investment (under £70,000 per property) in repairs to bring them up to permanent Council standard. Three properties in this group require more extensive works costing from £187k to £285k, however the options appraisal confirms that these would provide a return on the investment over 30 years having taken account of the retained value of the property. Where they provide wholly self-contained accommodation and the existing qualifying residents provide an appropriate fit (in household size) for the accommodation they occupy it is proposed to offer a Council tenancy of that accommodation, once works have been completed.

3.4.2 In some cases qualifying households occupy on a sharing basis and where they wish to continue this, remain where they are, and provide a reasonable fit, it is proposed to offer them a joint Council tenancy of that accommodation, once works have been completed. It is proposed that a further two properties have more extensive works carried out to provide appropriate self contained accommodation for the existing households who will return when works are completed. These are 33 Mornington Terrace and 38 Great Russell Street.

3.4.3 If anticipated works costs rise it may be necessary to rerun the options appraisal and review the decision to retain for those properties marked with an asterisk.

3.4.4 30 Camden Road and 38 Great Russell Street both have commercial premises on the ground floor, which generate an income to the Housing Revenue Account. These would be appropriated to the GF from the HRA if the upper floor were sold.

3.4.5 All offers of a Council tenancy will be conditional on occupants meeting the current criteria of the allocations scheme, including financial criteria, as well as the 5-year residence qualification.

3.4.6 If any of the eligible occupants do not wish to remain in their existing accommodation they would be rehoused elsewhere. Any self contained units will be relet as normal Council accommodation. If any prospective joint tenants do not wish to remain that may affect the "fit" of the household and would have to be reviewed. That situation may require rehousing of the eligible residents and then reletting the property to another household of an appropriate size.

Address	Current occupants	Proposal	Comments
184 Camden Road	1 single person 1 2 bed family	Retain and offer Council tenancies	Accommodation currently self-contained.
29 Parkhill Road	1 single person 1 couple 1 family 2 children	Retain and offer Council tenancies	Accommodation currently self-contained.
61 Hillfield Road	2 single person households 1 family 1 child	Retain and offer Council tenancies	Accommodation currently self-contained
6 Museum Mansions	2 couples	Retain and offer joint tenancy	Flat in block. Planning status appears to be a HMO No permission required if retained as HMO
33 Marquis Road	1 single person 1 couple 1 person +child under 11	Retain and offer joint tenancy	Planning status appears to be a HMO No permission required if retained as HMO
*30 Camden Road GII listed	1 single person 1 couple	Retain and offer joint tenancy	Planning status appears to be a HMO No permission required if retained as HMO
*33 Mornington Terrace GII listed	2 single person h/holds 1 family 2 children	Retain and convert to s/c accommodation	Rehouse current occupants back after conversion Subject to Planning and Listed Building Approval
*38 Great Russell St	2 single person h/holds 1 family 2 children	Retain and convert to s/c accommodation	Rehouse current occupants back after conversion Subject to Planning

3.5 Properties to be vacated and rehabilitated

The properties in this group are not satisfactory in their current condition/layout and will require major rehabilitation works to bring them up to an appropriate standard and layout. The options appraisal confirms that the properties would provide a return on the investment over 30 years in the revised layout, having taken account of the retained value of the property. Where possible these will be used to provide large family dwellings (4 bed and above) to meet an identified need for such accommodation.

Address	Current occupants	Proposal	Comments
*154 Agar Grove	2 single person households	Convert to large family house subject to Planning approval	Current planning status appears to be HMO
17 St Augustine's Road	One single person remaining	Convert to large family house subject to Planning approval	
*88 Messina Avenue	One household remaining	Convert to large family house subject to Planning approval	Rehousing already secured for this household
41 Broomsleigh Street	Vacant	Convert to large family house subject to Planning approval	Potential HMO status, currently being confirmed

3.6 Sale

The remaining properties have been identified as not viable to retain by the options appraisal. These will be sold on the Open Market.

51 Agar Grove	3 single person households	Sell	Authorised Planning use appears to be
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13 Marsden St	3 single person households One not currently eligible	Sell	an HMO Authorised Planning use appears to be an HMO
39 Tottenham Street GII listed See note below)	2 single person households 1 couple	Sell upper residential	Authorised Planning use appears to be an HMO on upper levels. Commercial unit occupied by Community Association
22 Ravenshaw Street	N/A	Sell	This is a cleared site. Authorised planning use is residential and must be replaced in any redevelopment.

90 Canfield Gardens is a property which has been in short life use, but which is becoming vacant. It has been approved for open market sale in line with July 2004 Executive decision, under delegated authority. It is proposed that the receipts be ringfenced to this programme. The authorised Planning use appears to be an HMO.

39 Tottenham St – The ground and basement areas are let to Fitzrovia Neighbourhood Association, which is a Council funded community association. The building is grade II listed and further specialist surveys are in hand to clarify its condition. Depending on the outcome of these surveys further consideration may need to be given to the future of the whole building. If the recommendation changes it will be reported orally to the meeting.

3.7 Properties subject to further negotiations

3.7.1 Some properties are subject to ongoing discussion. If these proposals do not prove viable then the options appraisal will be applied to the individual properties to see whether they should be retained or sold.

3.7.2 Odu Dua

Odu Dua currently manage 4 properties. They are one of a small number of Black and Minority Ethnic associations operating in Camden.

Although Members wish to end the use of shortlife in the borough Odu Dua are not in a position to acquire the properties permanently and have proposed an alternative using Temporary Social housing Grant.

3.7.3 In conjunction with ARHAG, Odu Dua are proposing that Arhag should be granted a 15 year lease and use Temporary Social Housing Grant to refurbish the properties. A condition of this grant is 100% nominations to the local authority. To achieve this the properties would require change of use from HMO's, and this proposal is therefore conditional on planning. If achievable, this would then provide accommodation for homeless families nominated by Camden. The scheme would provide (subject to detailed survey) 1 x 4 bedroom; 3 x 3 bedroom and 1 x 1 bedroom units. ARHAG are currently operating a similar scheme in Newham. If all of the details are satisfactory, they wish to bid for this funding to the Housing Corporation. Initial indications are that this bid is likely to be successful but any agreement will be subject to final funding approval.

3.7.4 This proposal will also continue support to small Black and Minority Ethnic housing associations in line with our housing strategy. Officers are therefore proposing to explore this option further and seek appropriate approval when full details are available.

Properties concerned are:

- 105 Maldon Road NW5
- 80 Grafton Road NW5
- 194 Grafton Road NW5
- 53 Leverton Street NW5

3.8 Properties for future action

3.8.1 There are a number of remaining properties where a decision is constrained either by matters outside the Council's control or the need to wait for existing agreements to expire. It is proposed that the same principles and options appraisal should be applied to these when circumstances permit.

3.8.2 **Georgiana Street Housing Coop**

Georgiana St Housing Coop currently manage 12 houses, all of which are Grade II listed buildings.

These are:

- 16, 17, 18, 19, 20, 21, 22, 24, 26 29, 30 and 31 Georgiana St NW1

At present, 22 of the 31 households in these houses appear to be eligible under current policies for rehousing. The group have been exploring options for remaining in Georgiana St and continuing as a Housing Coop. An initial proposal has been made by William Sutton Housing Trust, which would enable those coop members eligible for rehousing to remain together as a group. William Sutton could provide housing options elsewhere in London for up to 3 people who may wish to leave the coop.

It has not been possible to analyse this in sufficient detail to make a recommendation to the Executive at this time. However, officers will continue discussions on these proposals and bring a recommendation back to the Executive at the earliest opportunity.

3.8.3 2 Wren St – This Grade II listed building is managed by Carole Street coop. They are currently seeking possession against the one remaining occupant. This is being contested, however, and resolution may take some time.

3.8.4 52 Grafton Road, 45 Primrose Gardens, 82a Parkhill Road are all subject to leases to CDS agreed as part of the CRISH scheme previously approved by the Executive. These are currently being used as accommodation whilst the scheme is developed, and will be returned to the Council when residents move to their new homes. The Executive previously agreed in March 2004 to sell 52 Grafton Road when it is vacant.

The options appraisal will be carried out on the others nearer the time of their return to the Council. However, preliminary investigations would suggest that 45 Primrose Gardens will be proposed for sale and 82 Parkhill for retention.

4. Consultation

4.1 During the process of exploring options, correspondence and discussions have informed residents and groups of the options being considered. All occupants and managers have now been formally informed of the proposals being recommended.

5. Implementation

Of necessity, implementation of these recommendations will take some time to achieve.

5.1 Sale .

Properties identified for sale, where existing residents are eligible for rehousing, may take some time to achieve the vacant possession required before a property can be marketed. These properties will

require management by the existing management agent during the process of achieving vacant possession to ensure that the security and ongoing protection of the Council's asset is maintained.

5.2 Repairs only

5 of the properties, which are to be retained, will require repairs, which it is expected can be carried out with the residents in occupation and can be procured through the Council's existing repairs system.

5.3 Procurement of rehabilitation works.

The remaining 7 will require a new approach to procuring the significant repair and rehabilitation works required. Although the Council has a significant programme of investment in its existing properties it has not, in recent years, undertaken rehabilitation and/or conversion works on street properties. Such properties would until recently have been sold to Housing Associations who could access Social Housing Grant and would also give the Council nomination rights. However, because of the reduction in the availability of Social Housing Grant this is no longer an option in many cases. The Council does not wish to sell properties where it is feasible to retain and improve them, particularly when they may be able to contribute to the supply of larger units. A new approach must therefore be developed.

It is proposed that the Council should seek to extend its list of approved contractors to include firms with particular expertise in major internal conversion and rehabilitation projects, particularly those working for Housing Associations on improvement programmes. Some may already have the experience but their inclusion in the approved contractor list will have been based on other experience.

Once the appropriate expertise and project management resources are available a rolling programme can be developed to bring these retained properties back into permanent use.

It is anticipated that this would take place over the next 2 – 3 years. Although this appears an extended period the preparation time for such projects is significant. Time will also be needed to arrange any temporary or permanent rehousing required.

5.4 Funding

The Executive previously agreed to ring fence receipts from property sales to fund works to bring former shortlife properties back into permanent use. A number of projects have been committed against these receipts and the current balance remaining will fund part of the proposals in this report

Members are therefore asked to approve further ring fencing of sales receipts from the sales set out in section 3.6, estimated to be up to £2.246m to bring the identified properties back into use. The balance of any receipts will be available for investment elsewhere, when works are completed.

6. Comments of the Director of Environment (Planning)

- 6.1 This report identifies a number of scenarios for managing the remaining short life properties and these raise a number of planning issues, which need to be considered.
- 6.2 The existing Adopted and Revised UDP Planning Policy position seeks to protect affordable housing floor space, as this is identified as a priority need within the borough.
- 6.3 These short life properties comprise of a number of Houses in Multiple Occupation (HMO) and some self contained units and although the precise definition of some of the properties is not clear they all provide affordable housing. HMO's are identified as important means of providing low cost housing for a known and established need. Adopted policy HG17 seeks to resist the loss of this type of accommodation, where there is a demonstrable need for this use to continue. Revised Policy H6 seeks to retain HMO's unless it is replaced by permanently affordable housing.
- 6.4 Planning Policy therefore strongly supports the retention of these properties as affordable housing. Planning permission is likely to be required in a number of cases to alter the properties to provide self contained accommodation or if already self contained planning permission could be required for a different configuration of accommodation. This is likely to be resisted unless it can be demonstrated that the new accommodation would meet the continuing needs of the current residents, and or it is being secured as affordable housing in the long term. There is a clear need for large affordable family dwellings within the borough which will also be a consideration.
- 6.5 A number of the properties are also listed buildings and these will require sensitive treatment as the impact on the architectural quality of the building needs to be carefully assessed.
- 6.6 The sale of any properties providing affordable housing is regrettable, although planning policy would still seek to protect these HMO and affordable housing floor space and the alteration of these properties to provide alternative accommodation would require planning approval and would be assessed against the relevant policies. Revised Policy position would seek to secure the long term retention of affordable housing provision.

- 6.7 Planning comments have been incorporated within the report where planning advice has been provided.

7. Finance comments

- 7.1 The proposal to earmark receipts from the sale of the properties identified in section 3.6 to fund repairs identified in sections 3.4 and 3.5 is a departure from the normal policy of pooling capital receipts. The Executive does, however, have the power to earmark specific capital receipts to fund capital schemes where it is considered beneficial. The earmarking proposals in this report will reduce the total capital receipts available for future corporate use. The Executive at its meeting on 27th July 2005 was informed that the projected level of capital receipts arising mainly in 2005/06 and 2006/07 from disposals of HRA non-Right to Buy property (including short life properties) is c£9.7million and that Chief Officers would bring proposals to a later Executive regarding the allocation of these receipts.
- 7.2 The application of receipts from sales identified in para 3.6 will enable properties to be retained within the Housing Revenue Account (HRA) for affordable housing purposes. The properties identified for sale are those which the option appraisal (set out in Part II) shows to be delivering poor value for money across a 30 year term, after taking into account the retained value of the property.
- 7.3 Total usable receipts from the properties earmarked for sale in section 3.6 are estimated to be £2,246,000 and total costs for planned works on properties earmarked for retention are estimated to be £1,582,000. This includes the receipt for 90 Canfield Gardens which is currently being marketed for sale under delegated authority. This provides a surplus of £664,000, which will enable a contingency fund to be held against the risk of lower actual sale values or increased costs on works. There is a risk that the cost of works on some properties may rise and the decision on retention would need to be kept under review, pending final survey costs (these are marked with an asterisk). It is assumed that 100% of the receipts are usable. This is dependent on selling the property to a purchaser who does not intend to occupy the property as their only or principal home.
- 7.4 The total open market value of properties earmarked for retention in section 3.4 and 3.5 is £7.132m, including the commercial elements.
- 7.5 The sale of the residential part of 39 Tottenham Street will result in the commercial unit being appropriated to the general fund and grant aid would continue to be paid to cover lease rent to the community association currently occupying the property. The current rental income from the commercial unit would transfer to the GF from the HRA land the General Fund would need to pay capital financing charges of £7,600 (formerly funded by HRA subsidy). It is proposed that the appropriation of the commercial property takes effect at the

same date as the sale of the residential element and this will be at the market value as at the date of appropriation.

- 7.6 There is a fund of £697,000 of uncommitted brought forward receipts from the sale of other Short Life Properties. However, there may be other calls on these funds from the remaining properties mentioned in the report that have not yet been included in the financial appraisal, as final proposals have not been clarified. Any remaining surplus from this and the contingency identified in paragraph 7.3, would be retained by the council, once these issues have been resolved and works are completed.

8. Legal Comments.

- 8.1 The Director of Law and Administration has been consulted and her comments incorporated into the report.
- 8.2 The Council has the power to sell the properties identified for sale, pursuant to s35 of the Housing Act 1985.

9. Comments of the Head of Property Services

- 9.1 The Head of Property Services has provided valuation advice on all of the properties within this report and these have been incorporated within the financial appraisals prepared by the Director of Housing in the Part II report elsewhere on the agenda.