

REPORT TO EXECUTIVE

PORTFOLIO AREA: HEALTH AND WELLBEING, ECONOMIC DEVELOPMENT AND ENTERPRISE

Date of Meeting: 22 OCTOBER 2007

Public

Key Decision: No

Recorded in Forward Plan:

No

Inside Policy Framework

Title: RAFFLES VISION – UPDATE ON VACANT HOUSES AT 103-107 DALTON AVENUE, RAFFLES

Report of: DIRECTOR OF DEVELOPMENT SERVICES

Report reference: DS.91/07

Summary:

This report provides an update on the Executive decision (EX.131/07) that the preferred option was for the reinstatement of these properties for dwelling houses, and giving the Director of Development Services approval to explore a transfer to a housing partner.

Recommendations:

1. That Executive endorses the transfer of 103-107 Dalton Avenue, Raffles to Two Castles Housing Association, to be brought back into use as dwelling houses.
2. That the Executive recommends to Council that the land be leased to Two Castles for a nominal fee, less than market value, to assist with bringing the properties back into use.

Catherine Elliot

Director of Development Services

Contact Officer: Simon Taylor

Ext: 7327

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

1.0 BACKGROUND INFORMATION AND OPTIONS

- 1.1 Executive have previously agreed on 20 November 2006 (EX.288/06) to transfer 3 properties (42 & 44 Creighton Avenue, and 79 Raffles Avenue) which had been left in Council ownership following the stock transfer, to Two Castles.
- 1.2 The 3 remaining empty properties (103-107 Dalton Avenue) had not been included in this transfer, despite an expressed interest from Two Castles, as they are located in an area previously earmarked in Raffles Vision for retail use. However, negotiations to purchase another adjoining house, currently in private ownership had been unsuccessful and retailer demand for that area had not emerged.
- 1.3 Report DS.50/07 had outlined 4 options for Members to consider concerning the future of the 3 properties:
 - (a) Demolition;
 - (b) Continue to maintain the empty houses;
 - (c) Sale on the open market;
 - (d) Reinstate for dwelling house use in partnership with a Registered Social Landlord (RSL) – by transferring the dwellings to a RSL for refurbishment and the provision of affordable housing.

The Decision of Executive (EX.131/07) was:

- (i) That the position be noted.
- (ii) That the option of reinstating the properties for dwelling house use in partnership with a Registered Social Landlord be endorsed as the preferred option and the Director of Development Services be given approval to explore a transfer to a housing partner and report the findings to a future meeting of the Executive.
- (iii) That the report be referred to the next meeting of the Community Overview and Scrutiny Committee for consideration and comment.

Reasons for the decision:

To reduce the Council's ongoing liability for void maintenance on empty properties in Raffles, bring dwelling houses back into use in pursuit of the Council's Housing Strategy and sustainable communities objectives.

2.0 UPDATE ON OPTIONS

- 2.1 Two Castles Housing Association were approached, as they had previously been the only RSL interested in taking over the management of 42 & 44 Creighton Avenue and 79 Raffles Avenue, and had also expressed an interest in 103-107 Dalton Avenue at the same time. This had not been an option at the time as the area was under consideration for retail use in Raffles Vision.
- 2.2 Two Castles' letter, dated 07 August 2007, confirming their interest in taking over 103-107 Dalton Avenue is attached as *Appendix 1*.
- 2.3 The Housing Corporation has awarded grant funding to Two Castles to refurbish all 6 Raffles properties during its recent mini bids round – the properties would need to be completed by the end of March 2008.

3.0 NEXT STEPS

- 3.1 A working agreement will be put into place with Two Castles concerning the development.
- 3.2 A decision needs to be made by Executive regarding 'best consideration' for the transfer and whether the Council will agree to transfer the properties to the Housing Association on a long lease for a nominal fee. Preliminary discussions with Property Services indicate that there is an asset value in the region of £60,000 to £90,000 for the 3 properties.
- 3.3 The Council has power under Section 123 of the Local Government Act 1972 to dispose of land at less than best consideration if the market value is less than £2 million.

4.0 CONSULTATION

- 4.1 Consultation has taken place with the Portfolio Holder and senior Officers. The previous report (DS.50/07) was sent to Executive on 11 June 2007 and Community Overview & Scrutiny on 19 July 2007.
- 4.2 Guidance from the Local Plans and Conservation Manager indicates that in the case of a refurbishment, assuming that providing the buildings are still sound in construction - i.e. all four walls and a roof (which is the case), he would not consider that the use (i.e. dwelling houses) has ceased and his advice would be that "the buildings are currently vacant and the length of time or condition of building is not significant to warrant a planning application for refurbishment."
- 4.3 Lovell Construction have been kept informed of the proposed transfer of the properties to Two Castles, and are supportive of the proposals, although the Council does not require their formal agreement which was the case with the first 3 properties, as the Dalton Avenue houses are on a site previously earmarked for retail use and, as such, outwith the Raffles Vision agreement.

5.0 RECOMMENDATIONS

- 5.1 That Executive endorses the transfer of 103-107 Dalton Avenue, Raffles to Two Castles Housing Association, to be brought back into use as dwelling houses.
- 5.2 That the Executive recommends to Council that the land be leased to Two Castles for a nominal fee, less than market value, to assist with bringing the properties back into use.

6.0 REASONS FOR RECOMMENDATIONS

- 6.1 In order to progress the project to bring the properties back into use as dwelling houses.

7.0 IMPLICATIONS

- Staffing/Resources – Staff time spent on putting the project package together.
- Financial – The previous report on these properties (DS 50/07) set out the financial implications of the four options contained in that report and as summarised in para 1.3 above. The recommended option of reinstatement of the houses for use as social housing in partnership is, it may be argued, most akin to the concept of Raffles Vision as contained in the Council's Corporate Plan and the Housing Strategy.

The Council has only a limited budget available for the revenue maintenance commitments within Raffles. The recommended option will relieve the Council of most, if not all, of the revenue costs involved in maintaining the properties in Dalton Avenue while it appears that Two Castles will have the funding available via the Housing Corporation to bring these properties back into use as dwellings. The Council does, however, need to be aware that this option will incur the opportunity cost of a possible capital receipt being foregone. This value has been assessed at between £60,000 and £90,000 for the three properties.

- Legal – Under a combination of section 123 of the Local Government Act 1972, section 2 of the Local Government Act 2000 and consents issued by the Secretary of State, the Council is able to dispose of land at less than best consideration, provided that it is satisfied that it is in the economic, social or environmental interests of some or all of its residents and it has regard to its own Community Strategy when determining whether or not to do so. As disposing of land at less than full market value would be contrary to the authority's current policy, the Council's consent would be required to a disposal at less than full consideration.
- Corporate – This supports key Housing Strategy priorities, including affordable housing and bringing empty homes back into use.
- Risk Management – Potential risks attached to the project through assembly and delivery can be significantly reduced through management and monitoring of the process. If the project does not proceed soon, there is a risk that the Housing corporate deadline will be missed.

- Equality Issues – assist potentially vulnerable households in need of affordable housing, including homeless families.
- Environmental – Bring empty properties back into use, thereby tidying up the external environment of the neighbourhood.
- Crime and Disorder – Reduce opportunities for vandalism and graffiti by bringing homes back into use.
- Impact on Customers – Provide quality affordable family housing for households unable to buy on the market, and improve the appearance of the neighbourhood.

Catherine Elliot
Director of Development Services

Contact Officer: Simon Taylor

Ext: 7327

Two Castles' letter, dated 07 August 2007

Our Ref. JH/AL

07 August 2007

Mr J Hewitson
Housing Enabling Officer
Carlisle City Council
Civic Centre
Carlisle
CA3 8QG

PLANNING & HOUSING SERVICES	
REF	
08 AUG 2007	
RECORDED	
SCANNED	
PASSED TO	
ACTION	

Dear Jeremy

Re: 103-107 Dalton Avenue, Carlisle

With reference to your recent letter dated 6 August 2007 and as discussed, I confirm my interest in acquiring the properties referred to above.

I look forward to further discussions regarding the details of acquisition.

Please do not hesitate to contact me if you have any queries at all.

Yours sincerely

A. Lapping
pp John Hay
Development Director

Direct Dial: 0191 2692607/01228 635495
Email: john.hay@twocastles.org.uk

PLANNING & HOUSING SERVICES	
REF	
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ACTION	

cc: Stephanie Murphy, Chief Executive
Julie Cuthbert, Development & Asset Manager