

Options regarding a property

Summary: To consider all options regarding a property owned by the Council.

Options considered: Two further key options were considered:

- 1) A freehold disposal, however this would have resulted in a lost opportunity to provide temporary accommodation locally.
- 2) Further development of the property, however this had risks around planning and financial viability.

Conclusions: This proposal would help to deliver the objective of “Local Homes for Local Need” and the council’s statutory duty to provide accommodation for homeless households.

A small financial yield would be generated from retaining the property, refurbishing and letting it as temporary accommodation alongside on going savings by not placing families in to more costly accommodation and meet its housing obligations.

Officers recommended that a capital budget and allocation of existing funding to be provided to delivery this proposal.

Recommendations: **It is recommended that Cabinet:**

- 1) Support the proposal to retain and refurbish the property**
- 2) To utilise the property for temporary accommodation**
- 3) To allocate the funding as described in the exempt Appendix for the project**

Reasons for Recommendations: To provide authority for expenditure over £100,000.

Cabinet Member(s) Councillor Greg Hayman and Councillor Andrew Brown	Ward(s) affected Sculthorpe
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1. Introduction

- 1.1 The Council acquired 2 properties through a Compulsory Purchase Order (CPO) in 2018, as the owner had failed to bring the properties into a usable state.
- 1.2 The intention was to sell both properties in 2018 however, due to a Land Registry title issue the properties could not be sold until that had been resolved.
- 1.4 Having resolved this issue, one of the two properties was placed on the open market for sale in February 2019. This property was later withdrawn from the market as the Housing Team established a need to utilise the property for temporary accommodation.
- 1.5 The initial intention for the remaining property, which required substantial refurbishment was to dispose of it at auction. However, prior to the auction there was a request for a further review and options appraisal.

2. Review and option appraisal

- 2.1 In summary the appraisal considered 3 main options;
 - 2.1.1 A freehold disposal, retention of the property following refurbishment
 - 2.1.2 Use for temporary accommodation
 - 2.1.3 Further development of the property
- 2.2 Further details of the appraisal, including financial implications, risks and advantages/disadvantages for each option can be found in the exempt Appendix A.

3. Proposal

- 3.1 Following the completion of the options appraisal it is recommended that the remaining property be retained, refurbished and utilised for temporary accommodation.
- 3.2 The Housing Team have successful in letting and managing the adjacent property for temporary accommodation for the last 18 months and this property would further support their service delivery.
- 3.3 The Council retains the scope to extend the property in the future if needed or if a housing company is established the property could be transferred and then let at a market rent to improve the financial yield.

4. Corporate Plan Objectives

- 4.1 This proposal helps deliver the Corporate Plan objective “Local Homes for Local Need” and a statutory duty to provide accommodation for homeless households.

5. Conclusion

- 5.1 Whilst the property remains vacant it does not contribute to the Council’s Corporate Plan and priorities. This proposal would help to deliver the objective of “Local Homes for Local Need” and the council’s statutory duty to provide accommodation for homeless households.

- 5.2 Officers recommend that whilst there would only be a small financial yield generated from retaining the property, refurbishing and letting it as temporary accommodation the Council would create further on going savings by not placing families in to more costly accommodation and meet its housing obligations.
- 5.3 Officers recommended that a capital budget as described in the appendix is provided alongside the £19,400 of existing funding to renovate the property so that it can be utilised as temporary accommodation.
- 5.4 The Council retains the scope to extend the property in the future if needed or if a housing company is established the property could be transferred and then let at a higher market rent to improve the investment yield.

6. Implications and Risks

- 5.1 In terms of legal implications, the council is able to hold in the General Fund, and let on licence, homes to be used for TA for homeless households.
- 5.1 The specific financial implications and risks relating to the proposed option can be found in the Appendix A. (Exempt)

7. Financial Implications and Risks

- 6.1 The specific financial implications and risks relating to the proposed option can be found in the appendix A.
- 6.2 The use of this property for temporary accommodation will help to reduce the net spend on temporary accommodation by reducing the need for more costly alternatives such as bed and breakfast accommodation.

8. Sustainability

- 7.1 Renovation of the property is required to enhance its sustainability and with bring it back into use it can support the Council in providing a sustainable temporary accommodation service.

9. Equality and Diversity

- 8.1 There are no direct equality and diversity matters with this proposal.

10. Section 17 Crime and Disorder considerations

- 9.1 There is a risk of vandalism or anti-social behaviour with the property if it remains unoccupied.