

Portfolio Holder Decision Called in by Scrutiny Committee: - Consent for disposal of a property in Rimpton by Yarlinton Housing Group

The attached Portfolio Holder decision (Appendix A) has been called in by two members of the Scrutiny Committee to consider the implications of the decision. It will be discussed at the next meeting of the Scrutiny Committee on Tuesday 5th January 2016 at 10.00am.

If the Scrutiny Committee is unhappy with the decision it can ask the Portfolio Holder to re-consider the item or it could ask for the item to be debated at the full Council.

The reasons given to call in the decision are:

- That Member concerns in this case appear to have less weight than in the Curry Rivel case (both Portfolio Holder reports issued on the 11th December).
 - That cumulative impact on the rural housing stock does not appear to be taken into account.
 - Why have people wanting neighbouring villages not been offered this property as per the 'doughnut ring' principle as described in the Rural Lettings policy (final paragraph before financial implications).
 - When it comes to re-investment of funds raised, 'how local is local' and how does SSDC monitor that these released monies are spent per the undertaking given in the recommendation?
-

Appendix A

Portfolio Holder Decision to be taken

Consent for disposal of a property in Rimpton by Yarlington Housing Group

Executive Portfolio Holder: Councillor Ric Pallister, Strategy and Policy
Lead Officer: Colin McDonald, Corporate Housing Strategy Manager
Contact Details: colin.mcdonald@southsomerset.gov.uk or 01935 462331

Purpose of the Report

To confirm consent to a proposed disposal of a property in Rimpton by Yarlington Housing Group.

Recommendation

The Portfolio Holder for Strategy and Policy is recommended to confirm consent for the proposed disposal of number 2, Daisymead, Rimpton by Yarlington Housing Group on the proviso that they give an undertaking to reinvest the usable funds raised in new housing within the local area.

Background

A confidential report on the proposed disposal of a property in Yeovil by Magna Housing Association was provided to the District Executive on 4th October 2012. The District Executive approved that any future such requests for endorsement of disposal with respect to individual properties formerly owned by the council and subsequently transferred to a Housing Association, including those transferred under the former trickle transfer policy, be delegated to the Portfolio Holder in consultation with the relevant ward member.

Yarlington Housing Group was originally known as South Somerset Homes (SSH) and was created with the specific purpose of transferring all of the remaining council housing stock in the district under 'large scale voluntary transfer' (LSVT). At the time of the LSVT both the Council and SSH undertook to ensure that major repairs and refurbishment works would be completed on all relevant transferring stock within a fifteen year period. The capital receipt paid for the transferring homes was reduced to reflect the cost of undertaking the promised major works.

Bids from various Housing Association partners have now been approved by the Homes and Communities Agency (HCA) for the now five-year period (2015-20). Under the current arrangements Housing Associations have undertaken to raise a defined sum through disposal of a limited number of properties when they become vacant, using the funds raised to help subsidise their currently contracted programme, thus making available public funds stretch further in terms of the number of new homes acquired or built. Typically Housing Associations have identified isolated properties or those with a relatively high call on future maintenance costs as potential for meeting their disposal obligations.

The Property

The dwelling at number 2, Daisyfield, Rimpton is a three bedroom mid-terraced property built in 1924 of traditional brick-and-mortar cavity wall construction. It has a ground floor bathroom created from within the original parlour and accessed directly off the kitchen, probably added at some point in the 1990s. It became vacant in October. Yarlington own a further four properties in Daisyfield, all of the same age and construction type, three of which have been identified as having had bathrooms added at around the same time, suggesting that each might have a similar undesirable layout.

Yarlington maintain that there is relatively low demand for three bedroom properties generally and particularly so in some more rural locations. They also considered the demand for two bedroom properties in the area, given the need to create an upstairs bathroom and concluded that this was also relatively low. The strategic housing unit independently checked that the level of local housing need is low – there being no households citing Rimpton as their first choice of parish, although the number of households requiring a two bedroom property registered for rehousing in Queen Camel or Sparkford was nine, four of which are in gold or silver bands.

The property requires an estimated £36,000 remedial works to create an upstairs bathroom (thus reducing by one bedroom) and bring it up to a SAP rating of 71. The current SAP rating is stated to be 60, well below Yarlington's target SAP rating of 69, but planned maintenance to replace the current heating system would have brought this up to 70 in 2016 in any event. After the works Yarlington would apply an 'Affordable Rent' to the property but, because of the loss of a bedroom, this would only be about £14 pw higher than the previous 'social rent', providing a long 'payback period' for the improvement works.

The property has an estimated value of around £120,000, with an outstanding charge of £23,500. Outright sale of the property would, then, raise around £96,500 that could be reused in Yarlington's current development programme with the HCA. There is no direct hypothecation of funds, so it is theoretically possible for the funds to be deployed outside of South Somerset altogether but the bulk of the programme agreed with the HCA (which is dependent on such disposal funds becoming available) is either underway or already delivered in South Somerset.

The ward member, Councillor Mike Lewis has been informally consulted and has raised concerns expressed to him locally about the potential loss of social housing from the village. His view is that a mixed community makes a valuable contribution towards retaining a vibrant village with an otherwise aging population. Overall he is not in favour of agreeing to disposal on this occasion.

However it should be noted that the current expressed need on the register is for neighbouring villages, not for Rimpton, at least not at this juncture, and some of that may be met through the additional provision we can expect through planning obligations on sites currently going through the planning process in the local area. Whilst the ward member is right to be concerned about the gradual erosion of social housing in this village, giving consent to this particular disposal does not imply that the Council will automatically give consent to any future such proposed disposals in the same locality.

Financial Implications

There are no direct financial implications for South Somerset District Council where such a disposal is mooted. The use of funds raised from such disposals in rural areas may have a

bearing on the level of funding that the Council may need to provide in order to bring forward rural housing schemes.

Implications for Corporate Priorities

The Affordable Housing development programme clearly provides a major plank in addressing “Focus Three – Homes” and in particular meets the stated aim:

“With partners, enable additional new homes to meet the needs of the district, including mixed housing schemes to buy or rent that are affordable.”

This specific proposal could indirectly contribute towards the delivery of Yarlingtons programme.

Background Papers

Consent to Dispose of a Third Party Property (Confidential)

District Executive 4th October 2012
