

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Housing Portfolio Holder 4 September 2008
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AIREY REFURBISHMENT PROJECT

Purpose

1. To seek clarification on the decision made by the Portfolio Holder on 4th September 2006. The external conditions required by the original decision have not transpired and a fresh decision is therefore required.
2. This is not a key decision but has implications for a key area of Council work

Background

3. The Council owns 28 Airey homes of a non-traditional build design. These dwellings do not meet current standards and need to be refurbished
4. A decision was taken by the Portfolio Holder on 4/9/06 to commence a pilot project on 12 Airey properties. A sum of £900,000 would be spent on completing the works
5. The pilot was intended to explore the possibility of recycling some of the money spent by designating six of the refurbished properties for equity share. This would then be used to fund the refurbishment of some of the 16 Airey homes remaining.

Considerations

6. The decision to proceed with the part equity share pilot was subject to the Government rules on treatment of receipts being changed to allow for the retention of 100% of the capital receipts. This change has not happened and the original decision cannot therefore be followed.
7. The Portfolio Holders decision went on to say that if the equity share pilot could not be followed then those properties should be considered for market sale instead. However, the report to the Portfolio Holder also noted that the market sale of the Airey homes was not favoured, as this would remove affordable homes from villages.
8. There was significant opposition to the option to sell the homes or to transfer the homes to a housing association particularly from Teversham village where the largest number of Airey properties (seven) are located.
9. If six homes were sold on the open market, once the clawback has been paid to Government it would leave sufficient capital to carry out the required work on eight or nine further Airey homes.
10. The current market conditions may make it difficult to sell the homes on the open market.

Options.

Option A

11. To proceed with the refurbishment programme for the 12 Airey homes to include the identification of six homes for sale on the open market. Given the location of the homes these market sales would most likely be in Teversham village, where four of the properties are not tenanted at present. The others currently unoccupied are, two in Sawston and one in Elsworth.

Option B

12. To proceed with the refurbishment programme for the 12 Airey homes but to retain all of them as homes to rent from the Council.
13. Whichever option is adopted the plans for the refurbishment of the remaining 16 Airey properties would need to be the subject of a separate options paper as there are currently insufficient capital funds to complete the work required. This options paper would be best held back until the Housing Futures ballot has been held.

. Implications

14. Financial	The capital sum has been set aside for the first phase of the Airey homes project. The retention of the first phase homes as rented homes would mean there is no further money to put toward the remainder of the Airey homes.
Legal	None
Staffing	None
Risk Management	There is a risk that market homes would be difficult to sell in the current market conditions.
Equal Opportunities	None

Consultations

15. None

Effect on Corporate Objectives and Service Priorities

16.	Work in partnership to manage growth to benefit everyone in South Cambridgeshire now and in the future
	None
	Deliver high quality services that represent best value and are accessible to all our community
	The retention of affordable homes within their villages will be of more benefit than losing some of those homes to the open market.
	Enhance quality of life and build a sustainable South Cambridgeshire where everyone is proud to live and work
	None

Recommendations

17. It is recommended that the original decision be clarified so that all 12 properties currently being refurbished will be retained as rented houses by the Council - Option B.
18. That a separate options appraisal for the remaining Airey properties be brought to the Portfolio Holder in August 2009.

Background Papers: The decision notice of the Portfolio Holder for Housing on 4/9/06

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