

Decision maker: Cabinet Member for Housing

Subject: DISPOSAL OF 82 DURRANTS ROAD, ROWLANDS CASTLE

Date of decision: 18 September 2012

Report by: OWEN BUCKWELL – HEAD OF HOUSING MANAGEMENT

Wards affected: N/A

Key decision: Yes

Budget & policy framework decision: No

1. Summary & Purpose of report

- 1.1 This report is being brought to members to seek a decision as to the marketing of the semi-detached residential property at 82 Durrants Road, Rowlands Castle. There is a beneficial marriage value to be considered if marketing it together with the semi-detached residential property at 80 Durrants Road. However, no. 80 is currently owned by a Council employee, a member of the Asset Management Service team. We would ask members to consider whether the property should be sold separately or jointly marketed with 80 Durrants Road.
- 1.2 To seek permission to acquire the adjoining land to 82 Durrants Road, Rowlands Castle for vehicular access and parking area from Hampshire County Council.
- 1.3 To seek permission to acquire rights of way over the path leading to the land adjoining 82 Durrants Road, Rowlands Castle.
- 1.4 The purchasing of the land and the rights of way will provide the much needed access to 82 Durrants Road, Rowlands Castle, as the property's location, on the main access road from West Leigh to Rowlands Castle, does not offer any other access point.
- 1.5 Once access has been acquired, to seek permission to market for disposal the property known as 82 Durrants Road, Rowlands Castle.
- 1.6 It is anticipated that the purchasing of the adjoining land and rights of way as well as the marketing and disposal of the property could be completed within six months, provided there are no encumbrances on the registered title and suitable terms can be agreed.

2. Background

- 2.1 The freehold of the property was originally owned by Hampshire County Council and was transferred to Portsmouth City Council's Housing portfolio in 1997. It has always been used to provide residential accommodation.
- 2.2 The property forms part of a much larger house which was divided in the 1960's to provide two separate semi-detached accommodations. The adjoining owner has modernised and extended his property and is also looking to dispose of his freehold.
- 2.3 Both properties would be available on the market at the same time and may draw buyers looking to purchase the whole building to form a larger dwelling.
- 2.4 The property was occupied by the same residents from 1968 and became vacant in 5TH February 2012. The property has remained vacant since.
- 2.5 Inspection of the property confirmed that the property would require extensive modernisation and as a three-bedroom property fell short of the minimum space standard, leading to the need to dispose of it on the open market.

3. Recommendations

- 3.1 That approval is given to the purchase the adjoining strip of land belonging to Hampshire County Council together with the rights of way over the path to the western end of the land, to provide much needed vehicular access and parking area, therefore increasing the value of the property and its saleability.**
- 3.2 That authority be delegated to the Head of Housing Management and the Head of Asset Management to dispose of the property on the open market following the completion of the purchase of the adjoining land and right of access.**
- 3.3 That authority be delegated to the Head of Housing Management and the Head of Asset Management to agree the best method of disposal for the property, taking into consideration that the property is one half of a much larger building which was converted into two separate properties in the 1960's. The property could be sold as a single dwelling and achieve in the region of £260,000-£275,000 or marketed together with the adjoining property, 80 Durrants Road, already on the market. Market evidence suggests that this latter option would achieve a higher receipt and would benefit both interested parties, following the appointment of a third party agent.**

4. Reasons for recommendations

- 4.1 The purchase of the adjoining land and rights of way will provide vehicular access and increase the value of the property.

- 4.2 The disposal of the property will provide receipts which can be earmarked for the future provision of Housing in the inner city and therefore meet the Council's corporate priority – "Increase availability, affordability and quality of housing".
- 4.3 The property sits outside of the city boundary and cannot be altered to meet the minimum space standards.

5. Options considered and rejected

- 5.1 Find new tenants – This was rejected as the property requires extensive refurbishments and does not meet the minimum housing space standards.
- 5.2 Retain the property for alternative use – This was rejected as the location of the property within a highly residential area and the access issues would not lend to any other alternative use.
- 5.3 Do nothing – This was rejected as the property would only deteriorate over time.
- 5.4 In-house joint marketing of the property together with 80 Durrants Road - This was originally rejected as the owner of the property is owned by a Council employee, a member of the Asset Management Service team and therefore there would be insufficient separation between the Council and its employee.

6. Duty to involve

- 6.1 Resident surveys were not undertaken in this instance but the adjoining land owners were consulted and no objections were made.

7. Implications

- 7.1 It is considered that the disposal of this property will be providing a welcomed capital receipt to be earmarked for the future provision of additional housing properties.

8. Corporate priorities

- 8.1 This report, the disposal of the property and the additional capital receipt contribute to the following Corporate Priorities:
- Increase availability and quality of housing
 - Regenerate the city

9. Equality impact assessment (EIA)

9.1 An EIA is not needed for this project. It will not affect any equality group and there is no adverse impact on people who belong to any equality groups.

10. Head of Legal, Licensing and Registrar' comments

10.1 The selling of this property, with or without the adjoining land would not appear to present any major difficulties. The Council has the power to act as any individual would and this is within that parameter.

10.2 However the proposal to jointly market the property with 80 Durrants Road is not so straightforward. If this property were to have come on the market as that of an independent party then joint marketing would be an appropriate option.

10.3 The fact that the current owner is a member of staff causes, at the very least, an appearance of taking advantage of the officer's position. If the member of staff were in a department separate from that arranging the sale of 82 that could be reduced by ensuring that Chinese walls were in place with regard to marketing.

10.4 The fact that the owner is a member of the instructing department would give rise to an implication of abuse of position that would be very difficult to dispel. This does not mean that those involved are abusing their position but that a reasonable observer could say that this is the case.

10.5 It is difficult to see how an agent could be instructed in such a way as to be independent as local knowledge is essential in these matters and a local agent may not be seen as sufficiently independent.

10.6 In the circumstances therefore it would seem that the legal risk from such a joint exercise would be the danger of bringing the Council into disrepute in circumstances where that risk is avoidable.

11. Head of Financial Services comments

11.1 The cost of purchasing the adjoining land and subsequent sale of the property ensures the best possible receipt is achieved for the sale of this dwelling.

11.2 The proposal to market the resulting site with the neighbouring property further maximises the potential receipt obtained.

11.3 The proceeds from the HRA share of the sale are to be made available for the provision of replacement homes to help meet the requirement under the Agreement with the Department for Communities and Local Government, which Portsmouth City Council committed to at the meeting of the Housing Portfolio on 15th June 2012.

.....
Signed by: **Owen Buckwell – Head of Housing Management**

Appendices: None

Background list of documents:

The recommendation(s) set out above were approved / approved as amended / deferred /
rejected by the on

.....
Signed by: **[Councillor Steven Wylie]**