

82 MILLGATE, NEWARK - PROPOSED DISPOSAL

1.0 Purpose of Report

- 1.1 To consider the future use of 82 Millgate, Newark.

2.0 Background

- 2.1 82 Millgate is a property owned by the District Council, held within the Housing Revenue Account, which is currently used to provide bed-sit type accommodation for single persons with additional needs. There are 6 units, of which five are currently occupied.
- 2.2 The property is managed by Newark and Sherwood Homes on behalf of the Council. At the Council's request the Company has recently undertaken a review of the future use of the property, including a financial appraisal, following concerns regarding the future viability of 82 Millgate due to its constraints and maintenance issues given its small size and age of the building. There has also been a number of housing management issues over a sustained period leading to complaints from neighbouring residents arising from the use of the building.
- 2.3 The financial appraisal looked at the viability of the property in terms of the following options:
- a) Maintain the status quo – let as social housing with planned levels of investment;
 - b) Disposal on the open market with vacant possession in its current condition;
 - c) Retain and remodel to convert to flats for market rent; or
 - d) Remodel and refurbish to higher specification units for market sale

After taking into account the higher than average costs associated with managing this building due to its age and type of units etc. and the questions over the suitability of accommodation of this type in this location, it is recommended that the most sustainable option in the management of the Housing Revenue Account Business Plan is option b).

3.0 Proposal

- 3.1 It is proposed that consideration be given to disposing of the property on the open market with vacant possession. If this option is supported by the Committee in principle, there should be consultation with the existing tenants over the proposal, which can then be reported back to the next meeting of the Committee before a final decision is taken whether or not to proceed with the disposal.
- 3.2 If the Council proceeds with the disposal option, the existing tenants will be offered suitable alternative accommodation. There may also be a legal requirement to make home loss payments to the tenants.

4.0 Equalities Implications

- 4.1 The property is currently occupied by single occupants housed with Priority 1 and 2 housing need from the Council's allocation scheme. There will be a requirement to rehouse the existing tenants in suitable alternative accommodation. Consultation with the residents will be undertaken prior to a final decision being made concerning the disposal of the building.

5.0 Comments from Deputy S151 officer

- 5.1 The sale of this property will generate a capital receipt, which will ring-fenced to the HRA. This will then support the HRA Capital Programme for future investment.
- 5.2 There is currently no budget provision for the home loss payments. These would have to be met from within HRA revenue resources.

6.0 RECOMMENDATIONS that:

- (a) the Committee consider the proposed disposal of 82 Millgate, Newark; and**
- (b) if disposal is supported in principle, the existing tenants be consulted over the proposed sale and a report be submitted to the next meeting of the Committee for the results of the consultation to be considered and a final decision made concerning the future of the property.**

Reason for Recommendations

To effectively manage the Council's assets to deliver a viable 30 year HRA Business Plan.

Background Papers

Nil

For further information please contact Karen White on 01636 655240

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