

WEST DUNBARTONSHIRE COUNCIL

Report by Acting Director of Housing, Regeneration and Environmental Services (Housing and Regeneration Services)

Council Meeting: 25 April 2007

Subject: Blocks of Flats at 7 and 9 Miller Road, Haldane

1. Purpose

- 1.1** This report seeks Council's approval to take the necessary action to dispose of two tenement properties at 7 and 9 Miller Road, Haldane, and adjacent land. A map giving an indicative outline of this area is shown at appendix 1.

2 Background

- 2.1** At the Social Justice Committee meeting of 14 March 2007, it was agreed that a report be submitted to the meeting of the Council on 25 April 2007 regarding the potential for the disposal of void housing at 9 Miller Road, Haldane, and the waste ground at the rear of the property, to a Housing Association.
- 2.2** 9 Miller Road, has been vacant for a number of years following fire damage and is joined to 7 Miller Road, therefore it essential that the future of both properties is considered at the same time. There are 5 tenants occupying 7 Miller Road. Both properties had been proposed for demolition in the Council's application to join the Community Ownership Programme (COP) and are within an area identified for re-development in the Interim Review of Haldane Masterplan 2005, an extract of which is shown at appendix 2. The review noted that the Local Plan had identified the back land area of this site for amenity housing, and the finalised West Dunbartonshire Local Plan (April 2007) states that this location is within an area that provides an opportunity for social rented housing.
- 2.3** While 7 and 9 Miller Road are in the Housing Revenue Account, the vacant land to the rear of these houses is held in the General Services Account as is a corner area of ground which should be included in any disposal. The map at appendix 1 has light shading indicating HRA land and dark shading showing General Services land.

3. Main Issues

- 3.1** Options for the disposal of 7 and 9 Miller Road and associated land are as follows.
- 3.2** Option 1

While 7 and 9 Miller Road could be transferred to a housing association, a ballot of the 5 tenants at 7 Miller Road would be required to establish if they

wished to be transferred to a new landlord. This option would be unnecessarily time consuming, and there is a risk that the tenants would vote against a transfer.

3.3 Option 2

As noted at 2.2 above, the 2005 Interim Review of the Haldane Masterplan identified the demolition of 7 & 9 Miller Road as a means of opening up access to the open space to the rear of these properties and using this combined site for building around 12/13 houses (appendix 2). This option would require the 5 tenants at 7 Miller Road, to be re-housed.

It is estimated that there would be a cost to the Council of approximately £95,000, including the retention of HRA debt for the 2 properties, but excluding demolition costs. The open market value of the whole site after deduction of £45,000 for demolition costs is £155,000 as at April 2007 which would be apportioned between the HRA and General Services accounts.

The disposal of this site to a registered social landlord in 2007/08 is supported by Communities Scotland.

3.4 Option 3

The Council could decide to demolish both properties at a cost of approximately £40,000 and delay any regeneration activity until it decides if it wishes to re-apply to join the COP. The Council's unsuccessful COP bid included the re-development of this site which reflected master planning for Haldane. It is likely that the Council will be in a position to consider a re-application to join the COP in 2008, but there is no guarantee that funding would be made available through this process or that the outlay for the demolition and associated costs would be recouped.

4. Personnel Issues

4.1 There are no personnel issues.

5. Financial Implications

5.1 Option 1

There would be a cost for independent advice on a transfer to another landlord being given to the 5 tenants of 7 Miller Road. The proceeds from the transfer of this tenanted property would be lower than if transferred with vacant possession. The transfer value may not eliminate the debt on these properties.

5.2 Option 2

There will be a cost to the HRA of approximately £95,000 including the retention of outstanding debt on the houses. While the open market estimated

value of the site is £155,000 as at April 2007, the level of reduction or elimination of this debt will be dependent on the final sale price and apportionment of the receipt between the HRA and General Services accounts.

5.3 Option 3

There would be a cost to the HRA capital programme of approximately £40,000 for the retention and associated costs of these properties. All of these costs would be recovered if the Council decided at a future date to transfer all of its stock and if all debt for the stock was written off by the Treasury as part of the Community Ownership Programme.

6. Risk Analysis

- 6.1** There is a risk that if no action is taken on the fire damaged property at 9 Miller Road, the building will continue to deteriorate, resulting in a negative impact on the immediate and surrounding area.

7 Conclusion

- 7.1** Options 2 and 3 provide opportunities to demolish and re-develop this area identified in appendix 1 however option 3 is subject to a successful re-application to join the Community Ownership Programme. Option 2 is the recommended course of action.

8. Recommendations

- 8.1** It is recommended that:

- 8.1.1** The tenants of 7 Miller Road be re-housed as part of a redevelopment programme.

- 8.1.2** The land and tenement properties at 7 and 9 Miller Road, Haldane along with land adjacent to it as shown in the indicative map at appendix 1 be sold to a registered social landlord at a price to be agreed with the Council and subject to the following conditions:

- The sale price should meet the cost of home loss & disturbance payments to the residents of 7 Miller Road and be sufficient to write off the HRA debt for 7 & 9 Miller Road.
- the purchasers shall meet all Estates Section fees and VAT.
- the purchasers shall meet all the Council's legal fees, expenses, outlays, VAT, together with Stamp Duty and Registration dues.
- the property enquiry certificates to be paid by the purchasers.
- any disposals shall require the necessary Scottish Ministers' consents.
- the purchase dates to be agreed between the Council's Estates Surveyor and the purchasers' agents.

- all demolitions shall be carried out by the purchasers entirely at their expense and to the satisfaction of the Council.

8.1.3 If the conditions at 8.1.2 cannot be met, option 3 be adopted.

Irving Hodgson
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Date: 12 April 2007

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Appendix: Appendix 1: location map
Appendix 2: extract from the 2005 Interim Review
Haldane Masterplan

Background Papers: None

Wards Affected: 20