



Report to the Leader – Councillor
Stephen Brady

Please select date of
Committee/Decision

Wards: St Andrews & Docklands

Future Plan for Ferensway House

Report of the City Neighbourhoods and Housing Manager

This item is not exempt

This is a Key Decision

This is a key decision. The matter is in the Forward Plan
0044/18

1. Purpose of the Report and Summary

- 1.1 To highlight the complex situation the Council faces as the Landlord of Ferensway House which is a unique Neo Georgian, locally listed, mixed tenure building located in a prominent position on the corner of Prospect Street/Ferensway in Hull City Centre.
- 1.2 To inform the leader of the current make up of residents, 5 apartments being held under long term lease agreements, 2 apartments held under secure tenancy agreements, 1 apartment currently void and 2 units to the ground and basement areas being held under commercial lease agreements.
- 1.3 To emphasise the professional advice given by NPS Chartered Surveyors and Architects that the building now requires urgent action to remedy disrepair in the structure which is detailed within comprehensive surveys carried out. It is therefore now essential that the Council formalise an agreed action plan for the future of the building taking into consideration the individual expectations of the residential and commercial tenures. Necessary capital funding has been secured to carry out the works mainly from the HRA but with a contribution from the General Fund due to the commercial units.
- 1.4 Is to agree the procurement route for the work required, the budget implications and the appropriate project management/delivery route.
- 1.5 To be able to demonstrate that the Council ensures that the building is safe and legally compliant and that this is achieved in

the most financially expedient way.

2. Recommendations

- 2.1 That the Council pursue Option 2 – The Council to retain ownership and landlord responsibilities for the building and carry out all necessary repairs and that best endeavours are made to mitigate known risks associated with pursuing this option by agreeing to the following:
- 2.1.1 That the Council waives its current policy of not repurchasing flats and maisonettes sold under RTB legislation (Minute 113 of the Housing, Neighbourhood Renewal and Urban Regeneration Overview and Scrutiny Commission dated 7th March 2008 refers) and uses its general powers to offer a voluntary repurchase scheme at fair market value and seeks to recoup costs associated with re-purchase by selling for increased market value following refurbishment. A six month time limit for negotiation with leaseholders to be agreed.
- 2.1.2 That the Council uses its discretionary powers under the Social Landlords Discretionary Reduction of Service Charges (England) Regulations 2014 to reduce leaseholders major works contributions. That the City Manager Neighbourhoods & Housing be delegated to agree any reasonable reduction.
- 2.1.3 That the Council enters into negotiations with the current Secure Council tenants to offer suitable alternative permanent accommodation together with compensation equal to statutory home loss and reasonable disturbance costs. This will remove inevitable disturbance to tenants living through a refurbishment and would enable the flats to be sold for market value following refurbishment. A six month time limit to be agreed.
- 2.1.4 That the Council through NPS who manage the commercial tenants on behalf of the City Manager - Properties & Assets enters into negotiations with the current commercial tenants to offer other suitable alternative commercial premises.
- 2.2 That the full programme of work identified in the sum of £612K (including fees) is carried out unless, by way of mitigating risks, the Council secure 100% vacant possession when only essential work be carried out and a further decision be brought on the future of the property.
- 2.3 That NPS is appointed to carry out full project management of the refurbishment including:
- a) Detailed designs and specifications
 - b) Liaising with statutory authorities

- c) Procurement including tender preparation, evaluation and award
- d) On site contract management of the principal contractor on behalf of the Council
- e) Leasehold statutory consultation (in-conjunction with City Neighbourhoods & Housing)
- f) Securing prescribed information required for the Council to agree a discretionary reduction in major works service charges.
- g) Negotiations with residential leaseholders relating to re-purchase

2.4 That the works are procured by NPS via the YorTender portal.

2.5 That any of the flats obtained through re-purchase or securing alternative accommodation be marketed for sale (under long leasehold interests) by NPS.

3. Reasons for Recommendations

3.1 Significant financial investment is now required to the structure, exterior and communal areas of Ferensway House. Appendix A details the full list of proposed works, together with pre-tender estimates. Capital funding has already been put in place to carry out the works.

3.2 The following details the areas of work that have been deemed by the Council's property partner, NPS to be required urgently, together with reasoning.

a. Basement waterproofing and structural repairs. The continued ingress of water into the basement areas and the associated damage to the steel structure presents ongoing issues regarding health & safety and structural stability of the building.

b. Roof repairs. The degradation and delamination of the clay roof tiles has been temporarily stabilised by netting, but remains a risk of falling tiles and water ingress into flats. The flat roof areas require replacement as they do not effectively drain the roof and are not insulated.

c. Fire doors, fire compartmentation & alarms. The escape routes from the commercial and residential areas of the building are not fully compliant with current legislation and require upgrade.

d. Windows. The original timber windows to the residential flats are single glazed sliding sashes that are now beyond their design life with some showing signs of damage. These windows now require replacement with matching PVCu double glazed units to reduce heat loss, reduce traffic noise and to minimise future maintenance requirements.

- e. Internal Drainage Repairs. Kitchen waste drainage from 4 floors (8 flats) lacks capacity and in some circumstances can 'back up' causing damage to residents' kitchens and subsequent insurance claims.
- f. Basement drainage. Original cast iron gullies in the basement areas are in poor condition and cause leaks which require repairs/replacement to prevent further health & safety risks and damage to the building fabric.
- g. Decorations and finishes. The internal communal area finishes (floors, walls and ceilings of the residential areas) are in poor condition and need redecoration and replacement floor coverings.
- h. The basement courtyard and refuse storage. Previously used to store residents waste until collection date but has been misused in recent years needs repair and controlled access establishing and sanitising to prevent health & safety issues and further rodent infestations.
- i. The basement courtyard drainage via rainwater and soil pipes has deteriorated causing dampness within the building fabric causing disrepair internally.

3.3 Due to the complex diversity of tenures within the building more than average risks are associated with progressing with required work making it paramount that the Council carefully balances the decision to invest in the building to ensure its structural integrity is maintained alongside maintaining a positive reputation.

3.4 Again due to the range of the works and complications surrounding the non- standard construction of the building and diversity of tenures the most advantageous route for procurement is through the YorTender portal. This will open the tender to a full range of prospective bidders with expertise in period building refurbishment and also enable leaseholders to nominate a contractor which is a legal requirement under statute.

3.5 Obtaining a full building solution price for the refurbishment will allow the Council to consider a potential discretionary reduction in leaseholders' service charge contributions as a one off exercise and will demonstrate competition which is a legal requirement under statute.

4. Impact on other Executive Committees (including Area Committees)

4.1 The building is situated in the St Andrews and Docklands ward and therefore there are no impacts on other areas of city.

5. Background

- 5.1 Following the building being appropriated from the General Fund to the HRA in October 2001 £160K of investment was made to decommission the aging central boiler plant and install individual gas wet systems and to remove the then 2 lifts and replace with 1 new lift.
- 5.2 Since that time there has been limited investment in the building other than normal routine works required due to wear and tear and maintenance of the services required for the building to function as intended. In addition decent homes works have been carried out internally to the three Council flats.
- 5.3 Certain planned works have been identified as being required for a number of years and various consultation events have been held with residents but, to date works, have not progressed due to a number of issues:
- a) The complexity of maintaining a Neo-Georgian building alongside mainstream social housing stock,
 - b) The complexity of managing a multi-tenure building requiring inter-departmental involvement and agreement.
 - c) Differing cross tenure circumstances and expectations.
- 5.4 Notwithstanding the above, the building now requires significant investment in order to ensure it remains in repair for the short to medium term. Some of the works are now urgent and whilst some are not urgent are required to bring the property up to a decent standard of repair and makes financial sense to procure a full building solution.

6. Issues for Consideration

- 6.1 As the funding has already been secured to carry out the works, the main issues for consideration are whether the Council has the statutory powers to proceed as recommended and the cost of doing so.
- 6.2 Statutory Powers to re-purchase properties and sell on post refurbishment
- 6.2.1 Repurchase
- 6.2.2 Hull City Council is a statutory body, that came into being pursuant to the Local Government Act 1972, and as such, every activity it carries out must be authorised by statute, otherwise it will be acting *ultra vires*, or outside its powers.
- 6.2.3 The Council has general powers to acquire land and property which stem from the Local Government Act 1972 and in respect

of Council Housing Section 9 of the Housing Act 1985. These enable a Local Authority to acquire property for any of their functions, or for the benefit, improvement or development of the area. Local Authorities are empowered to acquire land notwithstanding that the land is not immediately required for that purpose.

6.2.4 Additional general powers were enacted under the Local Government Act 2000 which contained a 'well-being power' which has now been greatly extended by the 'general power of competence' under the Localism Act 2011. This power of competence grants the Council the ability, basically, to do anything as long as it is not something that is expressly prohibited, restricted or limited by a statutory provision contained in an earlier act.

6.2.5 It is widely considered that the Localism Act has clearly been designed to encourage local authorities to think and act more commercially and more imaginatively in using its powers.

6.2.6 Sell-on

6.2.7 Whenever a local authority disposes of land held by it for housing purposes it has to have regard to section 32 of the Housing Act 1985. Section 32 states that a local authority may not dispose of any land held by them without the consent of the Secretary of State. In order to facilitate the disposal of land held for housing purposes the Secretary of State has issued a series of general consents, which, in specific circumstances, permit the disposal of land held for housing purposes without the need to obtain express consent. The consents are collectively known as The General Housing Consents 2013.

6.2.8 In accordance with paragraph A2.2 of the General Housing Consents a disposal includes the conveyance of a freehold interest and grant of a lease of any duration. Paragraph A3.1.1 of the General Housing Consents provides that a local authority may dispose of land for a consideration equal to its market value, however this is not permissible where the land is subject to a local authority secure, introductory or demoted tenancy and thus only empty Council rental units could be sold in this way.

6.3 Statutory powers to recover financial contributions towards the works from all tenures

6.3.1 Secure Council Tenants contribute towards repair requirements for their buildings through their weekly rent payment. The Council has no power to levy any additional charges for repairs, maintenance or improvements on secure tenants.

- 6.3.2 Commercial Tenants again pay a weekly rent, a proportion of which would generally cover any future maintenance requirements for the building. This income is currently paid into the general fund requiring some virement to the HRA as a contribution towards the investment. The Council has no power to levy any additional charges for repairs, maintenance or improvements on commercial tenants.
- 6.3.3 Leaseholders pay an annual ground rent of £10.00 and their lease agreement includes a provision for them to contribute a percentage of all Councils expenses in managing and maintaining their building. In Ferensway House the leaseholders pay 1/10th of the cost of repairs that benefit the whole building, this includes 1/10th of the cost of the proposed refurbishment.
- 6.3.4 However statute dictates how we must consult with leaseholders in order to be able to recover their contribution. The Service Charges (Consultation Regulations) (England) Regulations 2003 prescribes certain notices the Council must serve in order to be able to recover actual expenditure. Failure to following these procedures means that the Council can only recover £250 per leasehold flat. Whilst the current option recommends NPS carry out this consultation process this will need to be done in-conjunction with CN&H Leasehold Team as it remains the Landlords responsibility.
- 6.3.5 Another requirement of these consultation regulations is that the Council can demonstrate competition in procuring the works which the YorTender route can provide.

6.4 Statutory Powers to reduce leaseholders' service charge contributions

- 6.4.1 There is significant legislation and regulations governing the recovery of leaseholders major works service charges and statutory consultation as previously detailed is required to be carried out for charges to be lawfully levied.
- 6.4.2 The Council acknowledge that this is a considerable sum for leaseholders to pay and the Government also appreciate the financial difficulties leaseholders can face when social landlords carry out major works to its housing stock.
- 6.4.3 In order to assist leaseholders two directions came into force in 2014. The Social Landlords Mandatory and the Social Landlords Discretionary reduction of Service Charges(England) Directions 2014. Both regulations apply to service charges for works of repair, maintenance or improvement – one is mandatory and the other discretionary.
- 6.4.4 The mandatory regulations only apply to works which are being

funded by way of specific grants and do not apply to Ferensway House which is being paid for by way of Council Capital Funding.

6.4.5 The discretionary regulations do apply to Ferensway House and allow the Council to waive or reduce service charges by an amount the landlord considers to be reasonable to not less than £10,000 in a five year period. In considering to reduce or waive charges the Council has to have regard to criteria set out in the directions such as –

- a. Whether the leaseholder or a previous owner was notified of any estimate for the repair, maintenance or improvement before the purchase of the lease of the dwelling.
- b. Any benefit the leaseholder has or will receive as a result of the works. This includes an increase in the value of the property, energy efficiency, security or improvement in services or facilities.
- c. Whether the landlord considers the lessee would suffer exceptional hardship paying the service charge.

6.4.6 When considering an application to reduce service charges due to exceptional hardship the landlord should have regard to circumstances including any other relevant considerations, such as whether the dwelling is the leaseholders' only or principal home, the financial resources available to the leaseholder, the leaseholders ability to pay over an extended period and the leaseholders ability to raise funds.

6.4.7 This gives social landlords wide discretion when considering an application to waive or reduce service charges. Should the Council wish to use its discretionary powers to reduce service charges for leaseholders in Ferensway House then systems will have to be put in place internally to establish whether leaseholders are eligible through careful consideration of both the criteria and also means testing to establish affordability.

6.5 Potential costs associated with recommended option.

6.5.1 It has to be acknowledged that Ferensway House is an expensive building both in terms of non-standard maintenance requirements (i.e. substructure basement and Neo-Georgian original features) and also the time required to be invested in the day to day management of a mixed tenure building.

6.5.2 Notwithstanding the above the Council, as landlord of the building and also as a registered social housing provider has clear legal responsibilities that must be managed. It is acknowledged that initial investment in the recommended option

is clearly very high in relation to the number of tenures benefitting from the investment and this has the potential to attract negative press.

6.5.3 However the further initiatives to help all tenures will allow monies to be recouped in the longer term reducing the burden on the HRA. For example the initial capital investment of £612,000 can be reduced post refurbishment by the sale of the current void property. This could bring in up to £180,000 income to offset against the initial outlay and whilst it will not remove the flat from the Councils control it will aide in reducing the deficit pending a potential full scale sale of the building in the future. In addition any flats repurchased from leaseholders at fair market value pre-refurbishment can be sold on at a higher value post refurbishment again reducing the deficit.

6.5.4 In pursuing the recommended option should it be found that 100% of the tenures wish to voluntarily move from the building, either through re-purchase or by finding alternative suitable accommodation there is the potential for the Council to do only minimal structural repairs and to market the full building for sale with vacant possession. The market value of such a transfer should equal a 100% return on any investment expended in re-purchasing flats and doing minimal repairs. It should be realised relatively soon in communications with residents what their position is in relation to their financial situation and future housing needs.

7. Options and Risk Assessment

7.1 **Option 1 - Do nothing**

7.1.1 The building will continue to deteriorate further eventually affecting its structural stability; the leaseholders assets will remain unsellable and will fall in value; the Council can be challenged for its failure to meet its obligations to keep the building 'in repair'; negative press will follow, damaging the Councils reputation.

7.2 **Option 2 – The Council to retain ownership and landlord responsibilities for the building and carry out all necessary repairs**

7.2.1 The Council will have to expend circa £612K carrying out repairs that will benefit just 8 residential and 2 commercial tenants. This could be seen as disproportionate and acting against the fiduciary duty of the Council in managing its Housing Revenue Account (HRA).

7.2.2 It is anticipated this option may attract negative press.

7.2.3 It will not remove the current disproportionate time spent in

managing a non-standard multi tenure building.

7.2.4 This option would ensure that the Council maintains its landlord duties and its responsibilities as a registered social housing provider.

7.2.5 Financially this option would ideally require recovery of full leaseholder contributions from leaseholders. However, in reality legislation giving the Council discretionary powers to reduce leaseholders' contributions will have to be considered and applied, meaning that in a worse-case scenario only £50K will be recoverable.

7.2.6 Although a current unknown, by exercising its general powers to re-purchase leasehold flats pre-refurbishment at a fair market value could potentially see an increase in re-sale value and therefore reduction in deficit post refurbishment, reducing the financial risk to the Council.

7.2.7 In the event that the Council gains vacant possession through negotiation of the full building prior to making a binding commitment to the repairs a further report will be submitted detailing revised options, including option for disposal.

7.3 **Option 3 – Obtain vacant possession of the building, carry out structural repairs only and sell the freehold on the open market**

7.3.1 The Council would have to exercise its best endeavours, without power, in gaining all residents support to secure vacant possession of the building.

7.3.2 The financial implication of this option is £605K in securing vacant possession plus an estimated investment of £100,000 to carry out repairs required to sell the building. Vacant possession sale has been valued at £798.6K (after some works to the flats internally).

7.3.3 Vacant possession is not a given and the Council does not have the powers to force any tenures to agree voluntary surrender of their properties therefore this remains an undeliverable option without 100% agreement of all parties.

8. Risk Assessment

8.1 Table 1 below provides an 'at a glance' view of the known risks associated with each of the tenures and suggests ways considered to be necessary to mitigate such risks.

Table 1

No.	Tenure	Risk	Mitigation
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1	Leasehold	Accuse the Council of increase in scheme costs due to protracted delays in agreeing building future	<p>Communicate that the basement area works only have deteriorated as a result of delays but the Council will not be pursuing recovery of this work from leaseholders as disrepair is accepted for which the Council is liable.</p> <p>Deliver an open and honest message to all leaseholders explaining the Councils need to balance the significant investment required against its overriding fiduciary duty</p>
2	Leasehold	Unable to afford the estimated £37,000 major works service charge contribution	<p>Offer a re-purchase option for those wishing to sell their leasehold interest</p> <p>Offer a discretionary reduction of the service charge for those meeting the criteria for a reduction. i.e. financial hardship</p>
3	Leasehold	Accuse the Council of allowing the property to deteriorate which has affected the valuation of their property	Communicate a clear message that If the Council had invested in works on a piecemeal basis i.e. roof one year, windows another, then leaseholders would have had to pay frequent contributions including scaffold access costs on more than one occasion.
4	Leasehold	Accuse the Council of leaseholders being unable to sell their	Deliver an open and honest message to all leaseholders

		properties due to protracted delays in determining and planning works	explaining the Council needs to balance the significant investment required against its overriding fiduciary duty Offer a re-purchase option at fair market value
5	Leasehold	Accusing the Council of leaseholders being unable to sub-let their properties due to dilapidated condition of internal communal areas.	Accept and apologise for not addressing internal re-decoration needs sooner but explaining the need for a full building solution to be agreed rather than a piecemeal approach which would require frequent contributions
6	Secure Tenants	Unable to cope with consequential disturbance a full building refurbishment will entail during the course of the works which are anticipated to take approximately 6 months to complete	Offer secure tenants a voluntary move together with a compensation package equal to statutory home loss and reasonable disturbance costs. (circa £8K)
7	Secure Tenants	Unable to cope with consequential disturbance but want to remain as residents in the building	The Council has no power to force tenants to move from the building but need to demonstrate a commitment to working with residents who will be remaining to minimise disturbance through the use of a customer liaison officer employed by the principal contractor and potential respite facilities utilising the vacant flat.
8	Secure Tenants	Complaints that tenants are unable to secure maximum 'discount' when	Any tenant who exercises the right to buy post refurbishment will have their discount

		exercising the right to buy post refurbishment	entitlement reduced by the cost floor (the Council cannot sell a property for less than it has expended on the building in last 10/11 years). This is a legal requirement and beyond the Councils control.
9	Secure Tenants	Unable to cope with consequential disturbance and wishes to move but Council unable to find suitable alternative comparable accommodation	To encourage secure tenants to voluntarily move to enable another property to be sold a direct let should be awarded that allows properties over current entitlement to be offered
10	Commercial Tenant	Refusal to cooperate with contractor in affording access to all basement areas to allow works to proceed as will inevitably be invasive and disrupt normal business activities	Open and honest message that the work is essential and disturbance will be inevitable and show commitment to working with them to minimise disturbance to enable business continuity. Offer subsidised rent on alternative property for the duration of works Offer statutory compensation

8.2 Table 2 below provides details of the risks associated with carrying out the proposed work and the measures proposed to mitigate each risk.

Table 2

No	Description	Prob'ty	Sev'ty	Amelioration.
1	Leaseholder Service Costs; 1. Political risk of complaints from residents	H	M	1. Early meetings with residents to explain works,

	<p>2. Basement damage from water ingress following HCC Highways works to pavements & possible damage to waterproofing membranes. Repair costs borne by leaseholders.</p>			<p>programme & costs.</p> <p>2. Re-allocation of basement works costs due to works damage.</p> <p>3. Costs recovered upon sale of properties.</p>
2	<p>Site compound Set up</p> <p>Site compound in City centre location. Currently no site identified. Access to site for material deliveries poses risk of disruption to local traffic circulation. Contractor's operative's parking in adjacent street may conflict with local parking requirements.</p>	M	M	<p>1. Early meetings with HCC Highways.</p> <p>2. Possible temporary closure & relocation of Cornerhouse (No 1) for use as compound</p>
3	<p>Fire Risk Assessments.</p> <p>Commercial Properties FRA are insufficient. Possible impact on scope of work.</p>	M	L	<p>1. NPS to review / obtain new FRAs & report.</p> <p>2. Include provisional sum for risk eventuality</p>
4	<p>Kitchen Waste Drainage:</p> <p>Increased</p>	H	M	<p>1. Carry out CCTV survey to assess</p>

	<p>diameter waste pipework installations will cause disruption to residents. Requirement to fit fire collars at floors. Connections to existing C/1 gullies at basement level, no replacement of drainage within the basement. Risk of disruption to residents</p>			<p>option for refurbishment / repairs and retention of existing wastes. 2. Early negotiations with residents to highlight works & disruptions</p>
5	<p>Drainage within external courtyard.</p> <p>Drainage survey of underground drains not been carried out. Further investigation will be required. Risk of requirement for additional works</p>	M	M	<p>1. Carry out CCTV survey to assess existing Services. 2. Include provisional sum for risk eventuality</p>
6	<p>Tiled Mansard Roof:</p> <p>Construction details not known. Dormer construction may compromise window installation.</p>	M	M	<p>1. Include provisional sum for risk eventuality</p>
7	<p>Stonework Repairs.</p> <p>Full extent of all repairs at height unknown & to be assessed following scaffold access. A specialist stonemason</p>	M	M	<p>1. Include provisional sum for risk eventuality</p>

	<p>survey following access to determine the extent of further repairs. Risk of requirement for additional works</p>			
8	<p>Pavement Slab Deterioration.</p> <p>Pavement slab & recent exposure. Extent to be determined.</p>	M	L	<p>1. Include provisional sum for risk eventuality</p>
9	<p>Service Cupboards.</p> <p>Timber lintels above the existing doors to be assessed for fire resistance. Floor construction to be assessed Uncertainty of extent/ cost of work</p>	M	L	<p>1. Include provisional sum for risk eventuality</p>
10	<p>uPVC Windows / Planning Objections:</p> <p>Verbal discussions with conservation officer indicates acceptance based on adjacent similar buildings window replacement. Risk of objection & appeal. Programme delays.</p>	M	L	<p>1. Early submission of Planning application ahead of contract works. 2. Further negotiations with HCC Planning.</p>
11	<p>Basement Structural Works.</p> <p>Further damage</p>	L	H	<p>1. Include provisional sum for risk</p>

	to primary steelwork exposed during encasement works Risk of requirement for additional works			eventuality
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9. Consultation

- 9.1 Consultation with the residents began a number of years ago involving written communications and resident meetings when we initially approached them regarding replacing the aging roof covering on a proactive basis.
- 9.2 Some residents raised the possibility of other works being done and it was agreed that a whole building solution be looked at to negate the need for scaffolding more than once due to high cost.
- 9.3 Since that time the scheme has been subject to protracted delays for reasons explained at 5.3 above and the need for invasive surveys/sustainability studies.
- 9.4 The Council is now required to adopt an agreed action plan for the building as recommended so that resident consultation can recommence.

10 Comments of the Town Clerk (Monitoring Officer)

- 10.1 The report is predicated on an assumption that vacant possession of the full building which comprises Ferensway House may not be achieved thus necessitating an extensive programme of repairs.
- 10.2 Under Section 11 of the Landlord and Tenant Act 1985, the Council has a statutory duty to tenants undertake repairs to dwellings and to common parts where the Council is on notice of the need for such repairs. In respect of common parts, the Council is deemed to be on notice without further notification from the tenant. Failure to undertake necessary repairs can result in claims for damages by tenants who suffer consequential loss or inconvenience. As the Council appears to be on notice of a number of items of structural disrepair it is at risk of claims from any affected tenants
- 10.3 It is proposed in the report that efforts are made to relocate existing tenants on a permanent basis. This may only be done with the agreement of the tenant as there is no applicable statutory Ground upon which a claim for possession could be made in the prevailing circumstances.

10.4 The Council is legally entitled to repurchase dwellings sold under Right to Buy legislation and under Section 165A of the Housing Act, there is a legal obligation upon purchasers to give the Council the first right of refusal should they wish to re-sell the property within the first 10 years of ownership. An executive decision could therefore be taken to dis-apply any previous policy decision not re-purchase homes sold under the Right to Buy Arrangements in respect of the properties within Ferensway House.

11 Comments of the Section 151 Officer

11.1 The Director of Finance supports the proposals outlined in this report. This property is a complex one financially in which to undertake works of this nature and the proposal to acquire vacant possession of properties wherever possible is eminently sensible. The leasehold acquisition & home-loss costs can be accommodated within the capital budget with the reasonable expectation that the subsequent receipts are more than likely to cover these costs alongside the proportionate costs of building works for the flats.

12 Comments of HR City Manager and compliance with the Equality Duty

12.1 There are no staffing or equality duty implications arising from these recommendations.

13 Comments of Overview and Scrutiny

13.1 This report is due to be considered by the Finance and Value for Money Overview and Scrutiny Commission at its meeting of Friday, 22 February, 2019. Any comments or recommendations agreed by the Commission will be forwarded to the Leader for consideration alongside the report. (Ref. Sc5245)

14 Comments of the Portfolio Holder for Housing

14.1 The portfolio holder notes the report and the requirement to take urgent action to remedy the potential disrepair of the structure of the building.

15 Comments of Portfolio Holder for Economic Investment, Regeneration and Planning, Land and Property

15.1 The portfolio holder notes the report and the potential impact on the

commercial property within the building. He does support the potential purchasing back of leaseholder properties, given the unique circumstances involved in this building.

Dave Richmond City Manager - Neighbourhoods & Housing Manager

Contact Officer: Mark Robinson – Assistant Head of Service
Nic Harne – Assistant City Manager

Officer Interests: None

Background Documents: - None

Implications Matrix

This section must be completed and you must ensure that you have fully considered all potential implications

This matrix provides a simple check list for the things you need to have considered within your report

If there are no implications please state

I have informed and sought advice from HR, Legal, Finance, Overview and Scrutiny and the Climate Change Advisor and any other key stakeholders i.e. Portfolio Holder, relevant Ward Members etc prior to submitting this report for official comments	Yes
I have considered whether this report requests a decision that is outside the Budget and Policy Framework approved by Council	Yes
Value for money considerations have been accounted for within the report	Yes
The report is approved by the relevant City Manager	Yes
I have included any procurement/commercial issues/implications within the report	Yes
I have considered the potential media interest in this report and liaised with the Media Team to ensure that they are briefed to respond to media interest.	No
I have included any equalities and diversity implications within the report and where necessary I have completed an Equalities Impact Assessment and the outcomes are included within the report	No
Any Health and Safety implications are included within the report	Yes
Any human rights implications are included within the report	No
I have included any community safety implications and paid regard to Section 17 of the Crime and Disorder Act within the report	No
I have liaised with the Climate Change Advisor and any environmental and climate change issues/sustainability implications are	No

included within the report	
I have included information about how this report contributes to the City Plan/ Area priorities within the report	No