

Report to the Cabinet

Report reference: C/073/2006-07.

Date of meeting: 13 November 2006.



**Epping Forest
District Council**

Portfolio: Housing.

Subject: Springfields Improvement Scheme – Repurchase of Leasehold Flat.

Officer contact for further information: Paul Pledger (01992 – 56 4248).

Committee Secretary: Gary Woodhall (01992 – 56 4470).

Recommendations:

- (1) That, in order to facilitate the Springfields Improvement Scheme, a further leasehold flat at 36 Springfields, Waltham Abbey be repurchased; and**
- (2) That, in order to fund the repurchase, a further £88,000 be made available from the £310,000 savings reported to the Cabinet at its meeting in September from the Wickfields stock transfer within the HRA Capital Programme.**

Report:

1. At its meeting on 6 February 2006, the Cabinet agreed to repurchase the leasehold flats at Springfields, Waltham Abbey, subject to an independent valuation by the Valuation Office. This was because for certain improvements, it will be necessary to vary the leases to take account of any changes that may occur as a result of the improvements. This means obtaining consent from each leaseholder and any other interested party, such as their mortgage lender, which from past experience has proven to be particularly time consuming and requires a lot of negotiation.
2. Following individual discussions with leaseholders, agreements were reached with 7 out of the 9 leaseholders - at the time of the Cabinet meeting on 4 September 2006 - to be bought back by the Council at a cost of £596,000. The original budget for repurchasing was increased by the Cabinet to facilitate this number of repurchases.
3. Since then, a further leaseholder at 36 Springfields has come forward and expressed an interest in the Council buying back his leasehold property. This means 8 out of the 9 leaseholders have now expressed an interest in selling their property back to the Council with the remaining leaseholder quite willing to contribute towards his share of the cost of the works as determined by the lease.
4. In order to fund the repurchase, it is recommended that a further £88,000 [*subject to the valuation office confirming the value*] be made available from the savings resulting from the Wickfields stock transfer, to supplement the £596,000 already in the budget.

Statement In Support Of Recommended Action:

5. By buying back these leases, it removes the risk of the leaseholders not agreeing to the range of works proposed for Springfields as the leaseholders are under no obligation to agree a variation to the lease. Other advantages include:
 - The time it would take to buy back the properties would be far less than if the Council had to negotiate over variations to the lease; and

- The property could be let to people on the housing waiting list.

Other Options For Action:

6. Not to buy back this property. However, this could lead to delays to the improvement scheme as a result of negotiations with the leaseholder over a variation to the lease.

Consultation Undertaken:

7. One to one consultation with the leaseholder.

Resource implications:

Budget Provision: £88,000 [*Subject to confirmation from the Valuation Office*] from the £310,000 savings reported to the Cabinet at its meeting on 4 September 2006 from the Wickfields stock transfer.

Personnel: Nil.

Land: Nil.

Community Plan/BVPP Ref: Nil.

Relevant Statutory Powers: None.

Background Papers: None.

Environmental/Human Rights Act/Crime and Disorder Act Implications: None.

Key Decision Reference (if required): N/A.