



## OPEN REPORT COMMUNITY AND ENVIRONMENT COMMITTEE

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### Community and Environment Committee – 16th May 2024

#### HOUSING DISPOSAL – 2 DALE VIEW, OVER HADDON

##### Report Author and Contact Details

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##### Wards Affected

Bakewell

##### Report Summary

The Council housing stock of 40 homes includes a property built in 1883. The elderly tenant who had lived at the property for over 40 years recently passed away. The property needs considerable renovation and retrofit to meet modern standards. Such a scheme is considered to be unviable and approval is sought to dispose of the property.

##### Recommendations

1. That 2 Dale View is sold on the open market with two restrictions;
  - a. preventing use as a second/holiday home in perpetuity and
  - b. for a period of 3 months the Derbyshire Clause is included. If the property remains unsold then the Derbyshire Clause will be removed.
2. That the proceeds from the sale are combined with the associated investment fund.
3. That £10,000 is allocated from the proceeds of the sale of the property to Over Haddon Parish Council and that officers work with the Parish Council to agree a suitable project for investment of the funds.
4. That the remaining fund is ring fenced within the Council's capital program for the delivery of affordable homes, preferably council owned, and that the original contribution of Janet Wadsworth is recognised in that new scheme.

##### List of Appendices

Appendix 1 Summary of property condition and costs

Appendix 2 2 Dale View photos

##### Background Papers

Household Support Fund report to Full Council 26<sup>th</sup> July 2022

Household Support Fund report to Community and Environment Committee Nov 2022 and July 2023.

**Consideration of report by Council or other committee**  
Committee

**Council Approval Required**  
No

**Exempt from Press or Public**  
No

# Housing Disposal Over Haddon

## 1. Background

- 1.1 In 2019 the Housing Department received an email from solicitors acting for the Janet Wadsworth Trust. Janet Wadsworth was the daughter of a well respected editor of the Manchester Guardian and worked with Granada TV as an educational adviser. She made her will in 1974, 6 months before she died of lung cancer. In her will she left 2 properties in Over Haddon, the rents from which were to support her loved ones. When those people passed away, the will required the properties pass to the council in whose area the properties reside. At some point during the early 2000s one of the properties was sold. The reason behind this is unclear and given the passage of time and subsequent resales, is not a concern now.
- 1.2 The Council became responsible for 2 Dale View in 2021 and was the Council's first property of the new council housing program. The property had a sitting tenant who had lived there for 40+ years. The Housing Department and NCHA took steps to reassure the tenant and her family that we would maintain the tenancy, the historically low rent and given the age of the tenant, respect her wishes about renovation. The property was weather tight but it was clear it needed substantial improvements. The tenant's family lived in the village and helped the tenant with everyday care and support needs. Sadly the tenant died in January 2024.
- 1.3 Nottingham Community Housing Association manage the Council's stock on our behalf. A team of officers from NCHA including the Development Project Manager, Lettings, Tenancy Management, Repairs and Maintenance and Clerk of Works, together with a valuer and the Council's Empty Homes Officer visited the vacant property to assess its condition.
- 1.4 An independent valuation by Rupert David & Co has provided the following;
  - The market value of the property with the benefit of full vacant possession sold with no restrictions is £215,000.
  - The value if the property was sold with a restriction preventing use as a second/holiday home is £175,000.
  - The value if the property was sold with the Derbyshire Clause would be £185,000.

## 2. Key Issues

- 2.1 The property was built in 1883. The EPC F rating reflects the solid wall and oiled fired heating system. The family of the deceased tenant have cleared the property and the locks have been changed. An inspection of the property has shown the following;
  - Given the poor internal arrangement, it would not be ideal family accommodation and would only really be able to be let to a very narrow range of customers.
  - The design and layout is certainly something that we would not buy or purchase today.

- There are two sets of steep stairs and no upstairs bathroom, meaning these would have to be navigated to access the downstairs bathroom.
- These stairs would not be suitable for young children and are less than ideal for adults.
- Access to the garden is also via very steep stairs into the cellar. Even after any renovation these stairs would be hazardous.
- The garden at the rear also has a high drop to one side, again making this hazardous for children.
- The property currently stands at EPC F and only has potential to be EPC D (2 grades below the Council's stated ambition of achieving EPC B on all retrofit properties).
- Given all of the above NCHA would not want to manage it on the Council's behalf.
- NCHA Property Service estimate the costs of renovation to be at least £120,000, plus fees.
- There are several property valuations set out in para 1.14. The rent was previously a protected rent at £141 per month. The rent following improvement would be around £120/wk.

2.2 In addition to the property, the will also included an investment fund, currently valued at £114,000 (it is thought this largely comprises the sale proceeds from the other property). This fund is still administered by the Solicitors acting for the original trust. Officers have requested that the solicitors end the investment fund and transfer the funds to the District Council.

2.3 There is no legal right of succession from any family member as no one else lived with the previous tenant in the year up to the property becoming vacant.

### **3. Options Considered and Recommended Proposal**

3.1 The first option is to retain the property, using the investment fund to meet the majority of the renovation costs. However some additional capital would be needed, financed by the Council's capital program. The works would take a considerable period of time, to both plan and implement. At the end of the renovation, the property would still not achieve our minimum EPC rating and would be below the statutory standard for social housing. The internal arrangement would still be hazardous.

3.2 The 2<sup>nd</sup> option is disposal on the open market. The property is in a desirable location with stunning views of the peak district. Any other registered provider would sell the property and reinvest the receipt into more appropriate properties. It is simply unviable to invest £120,000+ of public money in a single property. The property would also be subject to RTB in 3 years time. Whilst this would realise a capital receipt for the council, it would mean the majority of the value invested would be lost.

3.3 The valuation information set out in para 1.14 provides the basis for the 3 disposal options. Selling the property with no restrictions will result in a higher sale price but likely see the property become a second home or holiday let. The sale price plus renovation cost will need a significant investment and some risk that requires a certain level of disposal income.

There are 110 households in Over Haddon with 8 second homes and 21 holiday lets.

- 3.4 The 2<sup>nd</sup> disposal option involves sale with a clause preventing use as a second or holiday home. Whilst this has the lowest likely sale proceeds, it aims to attract a buyer who will keep the property as a permanent home. This option is also the option officers favour. The Parish Council have also asked if the Derbyshire Clause can be added, for a 3 month period in an attempt to sell the property more locally. There is some risk with this approach in that the Derbyshire Clause is designed to restrict the sale of former RTB properties, built post WW2. Such properties are often in far better condition and need much less investment. The property could remain vacant for an extended period and put off potential buyers with the funds required to purchase and renovate the property.
- 3.5 Taking in to account the Legal comments in section 8 and the consultation responses from the Parish Council, there is a balance to be struck concerning the disposal of the property. Clearly the council doesn't want to create a long-term empty property or have the property sitting vacant awaiting sale. The property needs substantial investment and even once improved, will not necessarily be suited to permanent occupation. Applying a restrictive covenant to the property will reduce the likely capital receipt but is designed to attract a household who will make the property their primary residence.
- 3.6 The valuations set out in para 1.4 highlight the impact restrictions have on the value of the property.

#### **4. Consultation**

- 4.1 Over Haddon PC were consulted on the proposed disposal and invited to view the property on the 16<sup>th</sup> April. Four parish Councillors attended the meeting and also had an advance copy of this report in draft format. It was clear to the Councillors that the property requires substantial investment and they discussed with officers the different sale options. The Councillors appreciated the opportunity to talk through the issues and preferred the sale with a restriction preventing use as a second/holiday home. The Parish Council then asked for the Derbyshire Clause to be added for a period of 3 months. Both Ward Members were also asked for their views and one response was received which supported the disposal of the property.
- 4.2 An important aspect of the consultation would be recognising the original gift of Janet Wadsworth. The right thing to do would be to ensure her legacy and the intention of the will was maintained through a new affordable housing scheme. The Parish Council would understandably prefer this to be in Over Haddon. The Council undertook a Parish Housing Needs Survey in 2020 which only identified 1 person in need with a local connection to Over Haddon. Only 7 households responded to the survey. Given the low level of housing need and the lack of potential sites (previous work has confirmed this) it would be difficult to justify restricting the funds to Over Haddon. However officers have committed to working with Over Haddon Parish Council to review the local housing need and any development opportunities. There are also opportunities coming forward in both Bakewell and Youlgreave, which neighbour Over Haddon.

- 4.3 Some Parish Councillors remember Janet Wadsworth and they have described her connection with and affection for the village. The Parish Council have asked if some of the funds from the sale of the property could be used to support one or more projects that are coming forward in the village. Officers consider that a sum of £10,000 would be an appropriate contribution.

## **5. Timetable for Implementation**

- 5.1 Subject to Committee approval to proceed, the property will go to auction as soon as possible.

## **6. Policy Implications**

- 6.1 Providing affordable homes is a key priority of the district council. Whilst disposing of this property will reduce the stock of council homes, the reinvestment of the sale proceeds and investment fund would help to generate several more homes far better suited to today's needs. The property is very much an outlier in the council's housing stock and will impact on our performance measures with the regulator. Officers are mindful that 2 Dale View should not become a long-term empty property. This can often be the case when older properties come on to the market with restrictions that reduce the scope of who can buy them.

## **7. Financial and Resource Implications**

- 7.1 Retaining the property will have capital implications with additional funds required to meet the full costs of renovation. The higher rents achieved on re-let would take many years to pay back the investment and the age of the property would inevitably lead to costly ongoing repairs and maintenance issues. An allocation of £10,000 to the Parish Council is appropriate given the legacy of Janet Wadsworth.

## **8. Legal Advice and Implications, Data Protection**

- 8.1 Legal services have previously advised on the case and the transfer of the property to the district council. There was an error on the land registry title prior to transfer but this was resolved and the title is now correctly registered with the District Council. Legal Services have advised that Ministerial consent is required for the disposal of council dwellings other than under the right to buy or by way of letting under a secure tenancy. The General Housing Consents 2013 grants consent for the disposal of housing land for a consideration equal to its market value and for the disposal of an unoccupied dwelling-house to a person intending to use it as their only or principal home, so this is unlikely to cause significant issues.
- 8.2 It is important to take into account the view of the Parish Council. On sale of the property, the District Council can impose such covenants as it thinks fit, which may include covenants preventing the property being used as a short-term holiday let or second home. As the property is in the National Park the Council can also impose a covenant under section 37 of the

Housing Act 1985 restricting further disposals ('a Derbyshire Clause') or reserve a right of pre-emption on further sale of the property (but not both).

## **9. Equalities Implications**

9.1 There are no Equalities implications to the report. Decision making will be subject to the usual procedures and standards.

## **10. Climate Change Implications**

10.1 Removing the property from the council's portfolio will maintain our EPC B rating across the housing stock. A full renovation and retrofit of the property will only achieve EPC D and fall below the minimum statutory standard of EPC C.

## **11. Risk Management**

11.1 The main risk relates to the reputational impact of selling a property that has an historical connection with Over Haddon. However the weight of evidence supporting the costs of renovation, continuing hazards once works have been completed, the legal restriction on title and the reinvestment commitment, should help to alleviate any concerns expressed. There is a risk that the property may not sell given the proposed restrictions attached to it. Officers will come back to Committee seeking a different approach if the property remains unsold for an extended period.

### **Report Authorisation**

Approvals obtained from Statutory Officers:-

	<b>Named Officer</b>	<b>Date</b>
Director of Community & Environmental Services, in absence of the Chief Executive	Ashley Watts	8/5/2024
S.151 Officer (or Financial Services Manager)	Gemma Hadfield	8/5/2024
Monitoring Officer (or Legal Services Manager)	Helen Mitchell	1/5/2024

## Appendix 1

### Summary of property condition and costs

#### 2 Dale View, Over Haddon.

Built in 1883 of solid stone construction with a slate pitched roof. The main building consists of two rooms at ground floor level with a timber staircase leading up to two further rooms constructed at second floor level. There is a stone stairway leading down to a basement/cellar, which has previously been used to house livestock or fowl.

An annex has been constructed (or repurposed) at ground level, which houses the bathroom and boiler room. This is also solid stone with a flat roof, which has evidence of water penetration.

The boiler is old and uses oil the whole installation will require replacement.

The current layout and construction does not lend itself to alteration or redesign without significant structural works. The second floor timber joists are supported on trimmer joists which form part of the stairwell so repositioning the stairs would require a complete new upper floor. Also the infill walls below and above the trimmer joists do not give the required fire protection to the stairwell and will need replacement.

This means that despite a significant amount work and cost you will still have a two up and two down that is unsuitable for family occupation.

Below is a brief resume of the works required:

1. Complete new heating installation - £8000
2. Complete new bathroom and pipework - £5000
3. Complete new kitchen and pipework - £7000
4. Complete electrical rewire to latest edition - £9000
5. Removal of potential asbestos containing material ie floor tiles, underboarding, bitumastic floor (kitchen) etc - £2500
6. Tanking of cellar/basement (walls and floor) - £10000
7. De contamination of cellar/Basement after housing animals - £2000
8. Reconstruction of stone steps to basement - £2000
9. Renew underdrawing to cellar/basement - £4000
10. Renew plasterboard ceilings to bedrooms incl additional PIR roof insulation and plasterboard to groundfloor ceilings - £12000
11. Replace 2 windows in bedrooms to comply with HHSRS and building regs - £4000
12. Remove all wall finishes and plaster and renew with new insulated plaster finish. - £30000
13. Reconstruction of stairwell walls to provide sufficient fire protection including replacement fire doors (one side of the property is two storey the other is three storey). Both entrances are only accessible via the kitchen so I believe all doors will need replacing with fire doors. - £15000
14. Redecorate throughout. - £5000
15. Replace roof to bathroom extension. - £5000
16. Externally the garden is unsafe for children, as it is split level and there is no guarding at the edge of the retaining wall. Minimum is fence required.
17. All Rainwater terminates at ground level and does not go into any attenuation or drains.
18. The road behind is called Wellgate, there is a strange structure in the garden which is capped of and may possibly be a well?
19. The retaining wall is covered with foliage and its condition cannot guaranteed.



20. Side boundary wall showing signs of separation at the junction with the front section of wall.

These are just a few of the larger items observed, there may well be other issues unknown at the time of our visit, costs at this stage are Guestimates. No allowance for PV although the addition of this I do not think will achieve an EPC of C or above.

## Appendix 2

2 Dale View (right hand side)



Rear elevation

