

1. The proposals are not supported at this time

There is no requirement for the Council to agree to the proposal at the current time. Since drafting the report it is clear that the legislation will now simply calculate the monies that could be raised from the sale of high value homes in West Lancashire and a levy will be charged by Government each year. At this stage the value of the levy is not known. With all the current pressure on the Housing Revenue Account (HRA) I still take the view that sale of some homes in due course will be necessary if we are to provide sitting tenants with good quality homes and services.

I would remind Members that we need to find savings of £11.3M over the next 4 years and the funds that could be raised by sales of high value homes would offset this. If homes were sold when empty, the necessary consent of the Secretary of State would be required but this is unlikely to be refused. The levy, which has yet to be calculated, will of course be in addition to the savings of £11.3M which is as a direct result of reducing rents by 1%. The choice on whether to proceed can therefore be made locally.

2. Cabinet reconsiders the lower values in respect of the classification of “high value” properties as set down at paragraph 4.3 of the report of the Assistant Director Housing and Regeneration.

The values at 5.4 of the report were suggested because it had become apparent that the calculations used would not raise the level of funds required nationally to allow and fund the costs associated with supporting all applications that are likely by Housing Association Tenants to exercise their Right to Buy (RTB). Since drafting the report a “deal” has been concluded between the Government and Registered Social Landlords (RSL’s) which should now reduce the numbers of RTB’s in the early years.

3. Cabinet explore further the options for disposal of “high value” properties, including social uses.

The Council will be required to sell ‘high value’ properties to raise funds that will be required to be paid to Government and, based on current Secretary of State requirements, there will be a legal requirement for the Council, to achieve the best value price for sale of these properties. As these properties will be ‘high value’ in comparison to other Council homes, it is not envisaged that a sale could achieve Best Value and still have a benefit for social use as market values would probably have to be charged.

4. Properties identified for sale are “properly marketed”

I believe that the Council have all the skills and expertise to undertake this function through the Estates Team within Housing and Regeneration Services.