

**TAVISTOCK TOWN COUNCIL
BUDGET & POLICY COMMITTEE
3rd SEPTEMBER 2024**

MARKET ROAD COTTAGES

1. PURPOSE OF REPORT

In accordance with the prior directions of the Council, to afford the Committee the opportunity to consider the future usage/ management arrangements for the Market Road Cottages (and/or other Council residential premises) in its ownership, and agree any next steps (Budget & Policy Committee Minute No. 21 from 28th May, 2024 refers).

2. CORPORATE POLICY CONSIDERATIONS

Section En2 (Council ownership) of the Tavistock Town Council Strategic Plan 2024-27 sets out the Council's commitment that "The Council will maintain and protect the built heritage and natural assets in its ownership including through the maintenance of appropriate records, maintenance plans, inspections and works".

3. LEGAL AND RISK MANAGEMENT ISSUES

As the Committee will be aware the Council, as a residential Landlord, is required to meet those common statutory obligations that apply to all landlords and as far as is possible, ensure the safety and wellbeing of its tenants and provide for residential units to be appropriately managed. The risk is that failure to do so leads to either a breach of statutory obligations, or to not achieving those service standards that the Council would expect to maintain (note – the Council is not a designated body for the purposes of providing Social Housing – that responsibility falls to West Devon Borough Council).

4. RESOURCE AND OTHER ISSUES

As the Committee will be aware from prior reports, and the associated Member site visit, both Cottages require works to be undertaken to bring them to a good standard for letting, and in order to secure a fair return on investment.

This relates to both:

- cost implications for the necessary works to be undertaken; plus

- the capacity for staff in the Works Department to undertake some of the more routine works required.

Please note, specialist companies are contracted for such matters as plumbing and electrical works.

The Town Council has historically not had problems finding tenants for these properties, although it has sometimes been difficult to get those tenants to understand that due to the age and structure of the properties (as listed buildings with single skinned porous walls, single glazing etc) they do have to live differently in them, as opposed to living in a modern property – eg ventilation, heating, damp management etc.

5. RECOMMENDATIONS

The Committee review the current situation, options for the future, and consider one or other of the following recommendations to Council:

- a) continue to 'let' these residential units, as previously, in-house; or
- b) contract the responsibility for letting the Market Road cottages to West Devon Borough Council, under its "SeaMoor Lettings Management" initiative; or
- c) pass the responsibility for letting all of the Council's residential units to WDBC, again on the terms as outlined above;
- d) dispose of the properties, either in their current condition or following refurbishment (ie if they are no longer considered a strategic asset for the Council);
- e) find productive alternative (ie non-residential) use for the premises;
- f) other.

Note - refurbishment of the properties will be required for those options involving letting.

1. BACKGROUND

- 1.1 The Committee will recall that consideration was previously given to the possible future usage of these cottages.

- 1.2 Discussions took place at the Budget & Policy Committee Meeting on 28th May, 2024 which elicited various potential options including:
- the potential for either a Veterans' Association, Housing Charity or equivalent to be offered the control of the properties under a lease, so they continued being available as residential properties. The Town Council would retain ownership, but the risk, management and control appertaining to the properties would be passed on;
 - similarly, whether the Local Housing Authority (West Devon Borough Council) might be interested in utilising the properties as temporary and/or social housing;
 - the merits and/or drawbacks associated with the Town Council retaining ownership of the properties, now that a primary reason for purchase was no longer applicable (i.e. to allow access to the rear of The Guildhall when the refurbishment works were being undertaken).

1.3 Following enquiries by Members the first option above did not progress. Subsequently, and based on the second option, the General Manager and Assistant to the Town Clerk met onsite with representatives from West Devon Borough Council to discuss any options it could identify, to view the premises and enable it to understand any remedial works required.

1.4 The Properties:

1 Market Road

- has been vacant since April 2022, when the previous tenant moved out;
- has since been utilised as a welfare facility during the Town Hall works period;
- is in a better condition than its neighbour, only requiring the following works;
 - the stairwell ceiling requires replacement; and
 - damp proofing works are required.

2 Market Road

- has been vacant since March 2024, when the previous tenants moved out;
- requires more extensive works than No.1 which include:

- damp proofing works;
- a new kitchen;
- a new bathroom (there is a serious leak in the current bathroom which, due to its installation, is proving difficult to overcome);
- exterior window refurbishment.

Note - a damp assessment is due to be undertaken on both properties, shortly.

2. THE CURRENT POSITION

- 2.1 Turning to operating and management arrangements currently the Assistant to the Town Clerk:
- advertises the vacant properties;
 - keeps a list of people who have expressed an interest in a Council residential property, when they become available;
 - carries out viewings;
 - takes up references;
 - drafts the Tenancy Agreements;
 - receives and lodges the Deposits with the Deposit Protection Scheme (with ongoing management of that Deposit);
 - 'Musters In' and 'Musters Out' tenants;
 - provides ongoing support and contact for the Council's tenants.
- 2.2 From an operational perspective the ideal external solution for the Town Council would likely have been a full management arrangement, including letting, inspecting, maintenance etc by the Housing Authority alongside an appropriately adjusted rental return.
- 2.3 Whilst the operating model of the Housing Authority does not go that far it does provide appreciable residential property management services such as:
- Tenant selection, credit checks and referencing;
 - Preparation of tenancy agreements and associated legal documents;
 - Quarterly management inspections to include all outdoor spaces;

- A rent and damage deposit guarantee to the value of 6 weeks rent;
 - Guaranteeing 100% of the rent during void periods (maximum two months);
 - Gas, electric and Energy performance certificates arranged and paid for;
 - Access to affordable finance packages for property improvements (subject to availability);
 - Rent account management;
 - A comprehensive inventory together with digital photographic evidence;
 - In house support from within the resources of the Council.
- 2.4 The associated management fee is 6% per month plus VAT, or 4% for landlords with more than one property (as in the case of Tavistock Town Council).

3. CONCLUSION & NEXT STEPS

- 3.1 If the two properties are retained (and kept in residential use) the Housing Authority offer appears to provide opportunity to:
- Increase organisational resilience in this area, in a cost effective manner, by contracting in specialist skills (perhaps on a trial basis for these two properties) and reducing compliance/capacity risk;
 - subject to the outcome of the foregoing, consider in due course the potential to bring all the Council's residential units under the same management arrangement.
- 3.2 In recent years residential property management has become, and continues to be, increasingly regulated. There is now the opportunity to consider the future of the two cottages, as both are vacant and to indicate preferred next steps based on the options as laid out in Section 5a) to 5d) above, or such other approach as the Committee and Council may wish to progress.
- 3.3 The instructions of the Committee and Council are sought.

**JAN SMALLACOMBE
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TAVISTOCK TOWN COUNCIL
SEPTEMBER, 2024**