

REPORT TO: PORTFOLIO HOLDER FOR HOUSING

DATE: 21 JUNE 2022

TITLE: DISPOSAL OF 69 OLD ROAD

PORTFOLIO HOLDER: COUNCILLOR SIMON CARTER, PORTFOLIO HOLDER FOR HOUSING

LEAD OFFICER: ANDREW MURRAY, DIRECTOR OF HOUSING (01279) 446676

CONTRIBUTING OFFICER: WENDY MAKEPEACE, ASSISTANT DIRECTOR HOUSING AND PROPERTY (01279) 446342

**This is not a Key Decision
Call-in Procedures may apply
This decision will affect Old Harlow Ward.**

RECOMMENDED that:

- A** The disposal of 69 Old Road is approved to finance the conversion and retrofit of 60 Hare Street Springs into four self-contained units for the use of temporary accommodation.
- B** Delegated authority given to the Director of Housing in consultation with the Portfolio Holder, to approve contract terms for disposal.

REASON FOR DECISION

- A** The Council has a policy that empty units that are no longer fit for purpose and/or homes requiring extensive major works with re-commissioning costs should be considered for different use/disposal.

BACKGROUND

1. Prior to the pandemic the property had historically been used as a shared temporary accommodation. The house is divided into six units with the kitchen, bathrooms and toilets being communal and shared between residents. During the Pandemic the property could not be fully utilised for temporary accommodation due to the fact that the facilities are communal.
2. Despite the easing of restrictions this property in its current layout and the shared facilities contained within the property is no longer suitable for use as shared temporary accommodation due to continued Covid 19 safety

requirements and the obligation's on local authorities now to provide more suitable self contained temporary accommodation.

3. Once the property was fully vacated, due to the age and condition of the property and it not being suitable for shared temporary accommodation a full and comprehensive survey was commissioned. The survey concluded that the property required significant refurbishment and major capital investment.
4. Works required to ensure the property is maintained to a satisfactory standard, whilst ensuring compliance with the provisions of the licensing requirements of Houses in Multiple Occupation Regulation 2018, Section 20 of the Landlord and Tenant Act, the Housing Health and Safety Rating System (HHSRS) introduced under the Housing Act 2004, the Decent Homes standard and fire risk assessment action plan are outlined in the attached report in Appendix 1.
5. The programme of works and estimated costs of both planned and cyclical voids works deemed necessary within the short term is estimated at £109,824, these works only factor in short term works and not the ongoing life cycle costs associated with the property. The scoping report and breakdown of costs is attached in Appendix 1.
6. Although the programme of works deals with the short term requirements of the property it does not address the issue of shared facilities within the accommodation. Therefore considering all factors, property condition and repair requirements to attain the standards as set out above, the properties location and undesirable shared communal facilities does not make this property suitable for refurbishment or conversion.
7. In all property disposals, the Council has to review all options available and there is an obligation to attempt to obtain Best Value from the disposal of any asset. Having reviewed all options with the Regeneration team it has been concluded that neither the property nor land are suitable for inclusion in the Council House Building Programme and therefore only suitable for disposal on the open market.

ISSUES/PROPOSALS

8. The property 69 Old Road to be disposed on the open market, valuations of three local estate agents currently value the property in its current condition between £400,000 and £600,000. Due to previous properties for disposal not attaining the reserve at auction, sale of the asset via a local estate agent is proposed.
9. The property is located in a very desirable and established residential area within Old Harlow. Valuations from local estate agent demonstrate that the sale of the property on the open market would be the most advantageous and value for money option for disposal.

10. The sale of the property would attract a considerable capital sum, which could then support the conversion and retrofit of 60 Hare Street Springs into self contained temporary accommodation units.
11. The funds attained through the sale would allow for the conversion and retrofit of the five bedroomed shared temporary accommodation units in the Hare Street area, which like 69 Old Road is no longer suitable for shared accommodation.
12. The planned conversion of the property at Hare Street Springs would be to convert the existing building into four self contained temporary accommodation units, consisting of both 1 & 2 bedrooms. Unlike the remote location of Old Road, Hare Street Springs is centrally located and close to all the key amenities.
13. The proposal retrofit of the property would support the Council's ambitions and plans associated with tackling fuel poverty within its stock and support the carbon reduction targets resulting in economic, social and environmental benefits.
14. The Council is currently scoping works and where possible will apply for grant funding to support the retrofit works.

IMPLICATIONS

Strategic Growth and Regeneration

The site would not be suitable for a new build housing project and greater value would be created for the Council in realising the capital value of the site to invest in the improvement of other Council properties as set out in the report.

Author: Andrew Bramidge, Director of Strategic Growth and Regeneration

Finance

As set out within the report.

Author: Simon Freeman, Deputy to the Chief Executive and Director of Finance

Housing

As outlined in the body of the report.

Author: Andrew Murray, Director of Housing

Communities and Environment

As outlined in the body of the report.

Author: Jane Greer, Director of Communities and Environment

Governance and Corporate Services

The proposal for sale will achieve market value by virtue of the method of disposal and therefore will meet the statutory requirement.

Author: Simon Hill, Director of Governance and Corporate Services

Appendices

Appendix 1 – Scoping Report

Background Papers

None.

Glossary of terms/abbreviations used

HHSRS – Housing Health and Safety Rating System