

Disposal of Altham House



Report to:	Cabinet
Date:	13 June 2024
Portfolio Holder:	Councillor David Carter, Deputy Leader Portfolio Holder for Housing
Lead Officer:	Richard Oliver, Assistant Director – Residential Housing Services (01279) 446422
Contributing Officer:	Nathan Kitteridge, Area Housing Manager (01279) 446295
Key Decision:	No
Forward Plan:	Forward Plan Number I017158
Call In:	This item is subject to call in procedures
Corporate Mission:	Transform Harlow’s Housing
Wards Affected:	Netteswell

Executive Summary

- A** Having explored multiple investment options, authority is requested for the Assistant Director – Residential Housing Services to proceed with the sale of 93-96 Altham House, [Altham House], to the current leaseholder.

Recommended that:

- A** Harlow Council sell Altham House to the current leaseholder.

Reason for decision

- A** Since 2020 the property has remained empty and is neither delivering a return for Harlow Council nor the current leaseholder. Given the extent of investment required, either to

make suitable for its former use, or any alternative use, such investment would not represent *value for money* for Harlow Council.

- B** Sale to the current leaseholder will deliver an attractive financial return to Harlow Council, with the realistic potential for the property to be returned and used to provide an essential community service in the future.
- C** In line with current Regulations, the Council has a policy that encourages the disposal/re-allocation of properties that are no longer fit for purpose and/or require extensive investment. This policy is especially potent where investment would not deliver a suitable social or economic return.

Other Options

- A** Five options have been explored.
 - i) Do nothing – with the property remaining empty and not generating any income, the existing lease will likely be terminated thus incurring ongoing maintenance/security costs to Harlow Council.
 - ii) Terminate the current lease - invest in the property and return the property to let, either directly, or through a third-party specialist service provider.
 - iii) Sell the property to the current leaseholder – preferred option.**
 - iv) Sell the property on the open market – lengthy process with no guarantee of sale.
 - v) Demolish the property – given location of the site, and proximity to St. Alban's Academy, demolition would not present option for larger-scale regeneration.

Background

1. Altham House is a large building within Altham Grove, located at the south side of a small public square, with the rear elevation located on the boundary to St. Alban's Academy.
2. Property is under lease to Sanctuary Housing for 99 years.
3. Until 2020, Altham House provided specialist *Safer Places* services under contract to Sanctuary Housing. Altham House has remained empty and vacant since closure of the service in 2020.
4. The service closed as the accommodation provided is no longer fit-for-purpose.

Issues

5. Indicative plans to invest and make necessary changes to the accommodation are extensive and beyond the capacity within the current Business Plan.
6. An independent valuation has been undertaken on behalf of Harlow Council. A re-valuation will be undertaken prior to any future negotiations regarding sale.
7. The current leaseholder cannot secure necessary investment (to the extent identified) on a leased property, further compounded by the repair and return conditions attached to the lease. The current leaseholder has enquired in earnest of the potential purchase of Altham House. With the property being empty for circa four years, they are also exploring options to terminate the lease.
8. Essex County Council has recognised there remains a requirement for quality accommodation for specialist accommodation services provided by *Safer Places* (or similar). Subject to meeting the required standards, the accommodation at Altham House could provide this in the future.

Proposals

9. Following re-valuation, Harlow Council are to proceed with the sale of Altham House.
10. It is recommended for the income generated from the sale of Altham House to be retained within the Housing Revenue Account to enable Harlow Council to meet essential Fire Safety work obligations.
11. Failure to secure a sale and the subsequent termination of the existing lease will result in ongoing repair, maintenance and security responsibilities, along with future investment demands, being returned to Harlow Council.

Implications

Equalities and Diversity

The public sector equality duty (specific duty) requires the Council to consider how to positively contribute to the advancement of equality and good relations, and demonstrate 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a decision pursuant to statutory powers no equality impact assessment has been conducted.

Climate Change

None.

Finance

Financial implications are included in the confidential report.

Author: Jacqueline Van Mellaerts, Deputy Section 151 Officer and Assistant Director – Finance

Governance

The disposal of this land must meet the requirements of s.32 Housing Act 1985 and the general consents, requiring an up to date market value. At the point of transfer the current lease will fall, and the Council will need to impose appropriate covenants and or betterment provisions should the new owner wish to develop the site or vary its use.

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Appendices

None

Background Papers

None

Glossary of terms/abbreviations used

None