

Disposal of 4 Mill House



Report to:	Cabinet
Date:	11 July 2024
Portfolio Holder:	Councillor David Carter, Deputy Leader and 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 I017161
Call In:	This item is subject to call in procedures
Corporate Missions:	Transform Housing Renew our Neighbourhoods
Wards Affected:	Old Harlow

Executive Summary

- A** Authority is requested for the Assistant Director – Residential Housing Services, in consultation with the Deputy Leader and Portfolio Holder for Housing, to approve the disposal of Flat 4 Mill House, 206 Old Road, Old Harlow, on the open market.

Recommended that:

- A** Harlow Council sell Flat 4 Mill House, 206 Old Road, Old Harlow.

Reason for decision

- A** 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.

- B** The age of the property, condition, limitations (specifically its location within a conservation area) and suitability, lend this property for sale given the scale of, and low level of return on required investment.

Other Options

- A** Three options have been explored:

- i) Do nothing – with the property remaining empty and not generating any income.
- ii) Invest in the property – bringing property up to minimum letting standards and meeting associated environmental, health and safety requirements.
- iii) Sell the property – preferred option.**

NB. Demolishing the property, as it is a flat within a block, is not a viable option.

Background

1. 206 Old Road is a Victorian mill house conversion located within the Harlow Mill and Old Road North conservation area.
2. Property was let continuously by the same tenant since 1990 who refused access to undertake all by essential repairs during this time.

Issues

3. The age of property and current condition requires investment significantly over what would be reasonable. In addition to investment in kitchen, bathroom, electrics, heating and hot water requirements etc. to meet the requirements of the Decent Homes Standard, the solid wall construction, low levels of insulation and timber windows associated with Victorian buildings require extra heating and ongoing ventilation to remain warm and free of condensation and mould during occupation – these properties present a long-term risk to Harlow Council and above-average running costs for tenants.
4. Further, it is unlikely that modifications required, notably to meet current Building Regulations standards and reduce/remove Housing Health and Safety Risks [HHSRS] would not be permitted by Conservation Officers.

5. Even upon investment, or if investment was practicable, the property size and configuration make it difficult to let. Whilst a substantial 3-bedroom property, its first-floor location, and communal gardens, makes it unattractive to families. There is little interest in these properties, with others in the building having been disposed of in the past.
6. An independent valuation has been undertaken on behalf of Harlow Council. Sale on the open market, rather than by auction, is recommended to secure maximum return for Harlow Council. A re-valuation will be undertaken prior to any future negotiations regarding sale.
7. Any recommendation to sell the retained freehold after the sale of the lease to flat 4 will be returned for approval. At this time, we will present options along with a current valuation.

Proposals

8. Harlow Council are to proceed with the sale of Flat 4 Mill House, 206 Old Road on the open market.
9. It is recommended for the income generated from the sale of Flat 4 Mill House to be retained within the Housing Revenue Account to enable Harlow Council to meet essential Fire Safety work and/or other corporate Housing priorities.
10. Failure to secure a sale will result in ongoing repair, maintenance and/or security responsibilities, along with future investment demands, being incurred by the Housing Revenue Account.
11. Harlow Council will retain the freehold to all four properties upon the sale of flat 4 Mill House until a recommendation is brought forward for sale. We retain the ongoing repair and maintenance obligations associated with the building structure etc.; however, the cost of any (essential) maintenance and repairs will be shared between all leaseholders.

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

The disposal of Flat 4 Mill House, 206 Old Road from the Housing estate portfolio will reduce Harlow Council's ongoing liabilities associated with owning and running a Victorian property with low EPC rating that has limited scope to improve.

Finance

Financial implications are included in the confidential report.

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

Governance

Eventual sale of freehold must be wanted and driven by the majority of residents and requires their establishment of a management company to facilitate the purchase. Until the freehold is sold, the responsibility for maintenance and repair of the building, and recovery of costs, falls to the Council.

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Appendices

None.

Background Papers

None.

Glossary of terms/abbreviations used

None.