

REPORT TO: PORTFOLIO HOLDER FOR HOUSING

DATE: 22 JUNE 2017

TITLE: DISPOSAL OF EMPTY PROPERTIES

PORTFOLIO HOLDER(S): COUNCILLOR MARK WILKINSON,
PORTFOLIO HOLDER FOR HOUSING

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

CONTRIBUTING OFFICER: WENDY MAKEPEACE, AREA HOUSING
MANAGER (01279) 446342

This is a Key Decision

It is on the Forward Plan as Decision Number I007393

Call-in Procedures may apply

This decision will affect the following wards:

Mark Hall and, Little Parndon and Hare Street

RECOMMENDED that:

- A** The disposal of 1 and 2 Bromley Cottages, CM20 2AA and 3 East End Cottages, CM19 5BS be approved with delegated authority given to the Head of Housing in consultation with the Portfolio Holder, to approve contract terms.

REASON FOR DECISION

- A** The works identified through the empty property process indicate that the financial repair budget for each property exceeds the £10,000 threshold.

BACKGROUND

1. An investment appraisal was undertaken in October 2016 and is attached as Appendix A.
2. All three properties exceed the £10,000 works required disposal threshold fail decency standards, and require substantial works to bring them back to a lettable standard. These works include the requirement to replace significant elements within each property including extensive damp works, external doors and windows replacement, major structural works, replacement kitchens, new heating systems, electrical rewires, new bathrooms, new rendering, energy efficiency works, and redecoration.

ISSUES/PROPOSALS

3. The extensive repairs required to all three properties coupled with the remote location of the properties makes them suitable for disposal on the open market.
4. Historically there had been difficulties in letting 1 or 2 Bromley Cottages and the Council has periodically used them for temporary accommodation. However, this is no longer possible due to the extent of the works required in order to achieve the Government's Decent Home Standard, as well as meet lettable standards. The disposal of these will enable the potential regeneration of the area.
5. 3 East End Cottages with its remote location, difficult access (both to the front and rear) to the property and limited parking, have again made this family sized accommodation difficult to let. There have been ongoing issues with damp and the property again fails decency and requires major works to attain the lettable standard.
6. In all property disposals, the Council has an obligation to attempt obtain Best Value and it is anticipated these properties to be marketed through the newly appointed Land Agent. The revenue received from the sale of these three properties could be ring fenced to support the Council's aspirations to continue with its own house building programme. Actively allowing the Council to re-invest in affordable housing to meet the needs of local people.

IMPLICATIONS

Place (includes Sustainability)

None specific.

Author: **Graeme Bloomer, Head of Place**

Finance (Includes ICT)

The background reports indicate a market value for the three properties totalling £930,000. The amount received is not subject to pooling so may be retained by the Council towards funding the Capital Programme.

Author: **Simon Freeman, Head of Finance**

Housing

As outlined in the body of the report.

Author: **Andrew Murray, Head of Housing**

Community Wellbeing (includes Equalities and Social Inclusion)

As contained within the report

Author: **Jane Greer, Head of Community Wellbeing**

Governance (includes HR)

By Section 123 of the Local Government Act 1972 (“S.123 LGA”) and/or Section 1 of the Localism Act 2011, the Council has the power to dispose of land in any manner it wishes, subject to certain provisions. The Council has a statutory duty to obtain the best price reasonably obtainable, subject to certain exemptions. All disposals should be made on a competitive basis, unless justified and approved otherwise, as required by the Constitution Contract Standing Orders section 2 Disposal of Land. Home disposals may be subject to conditions such as the grant of planning permission which will be a pre-requisite to the completion of the disposal and the receipt of the sale proceeds. Contracts for sale will be in a form approved by Legal Services.

Author: **Brian Keane, Head of Governance**

Background Papers

None.

Glossary of terms/abbreviations used

None.

Appendices

Appendix A – Options Appraisal Modelling

Appendix B – 1 and 2 Bromley Cottages - Consideration for Disposal of Void Property

Appendix C – 3 East End Cottages - Consideration for Disposal of Void