

Key Decision Required:	Yes	In the Forward Plan:	Yes
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REPORT OF THE PORTFOLIO HOLDER FOR CORPORATE FINANCE AND GOVERNANCE

20 April 2020

A.1 INITIATION OF THE PROPERTY DEALING PROCEDURE: SALE OF A THREE BEDROOM HOUSE IN HARWICH (Report prepared by Heidi Foster)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To consider whether to initiate the Council's Property Dealing Process for the potential sale of a three bedroom house in Harwich that needs substantial maintenance work.

EXECUTIVE SUMMARY

3 Una Road Harwich was recently acquired after purchasing the 25% share from the previous DIYSO owner. It is not a traditionally built Council house and is the only property we own in the terrace of houses.

The Housing Service Repairs and Maintenance inspectors anticipate spending in the region of £24,600 in order to bring the property up to our void standard.

The property is in area of lower demand due to housing association new builds in Harwich and so given the projected expenditure the appropriate decision appears to be to sell the property on the open market and reinvest the receipts into a traditional ex-Council house in the Tendring area.

In order to fully explore this option the property dealing procedure must be initiated.

RECOMMENDATION(S)

That the Portfolio Holder initiates the property dealing process, in respect of the potential sale of the of the three bedroom house, in order that Officers may consider the potential transaction, including valuation, examinations, and negotiations in accordance with the Council's Property Dealing Policy, as set out in the Constitution.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Our priorities include providing decent affordable housing and to ensure all our residents live in high quality housing which meets local needs. To aid and support housing land allocations made which will support sustainable mixed developments and the supply of affordable housing sites apply high design standards to all new proposals.

To manage public money effectively meaning value for money principles are embedded in the delivery of all our services

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The sale of the property will avoid the Council having to outlay significant sums on a non-traditional Council house. The use of the receipts could be added to funds already held from Right to Buy and/or S106 receipts and used to bring a more suitable additional dwelling/s into the Housing Revenue Account that could immediately begin generating a return.

Risk

Officers have not identified any significant risk associated with the proposals.

LEGAL

In coming to decisions in relation to the management or procurement of assets, the Council must act in accordance with its statutory duties and responsibilities. Under case law following Section 120 of Local Government Act 1972, the Council is obliged to ensure that the management of its assets are for the benefit of the District.

Section 17 of the Housing Act 1985 provides the principal power for the acquisition of land for housing purposes, including land as a site for the erection of houses; this includes the power to acquire land for the purposes of disposing of the land to a person who intends to provide housing accommodation on it.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

Area or Ward Affected

Harwich Wards

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The Council recently acquired the property after purchasing the 25% share from the previous DIYSO owner. As this is not a traditionally built Council house, is the only property we own in the terrace of houses and would need spending in the region of £24,600 in order to bring the property up to our void standard, this makes selling the property the preferred option.

CURRENT POSITION

A number of Senior Officers from within the Housing and Building and Maintenance Teams have visited the property and are agreed that selling the property is the preferred option.

Authorisation is now required to obtain two valuations and enter into negotiations.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

None