

Key Decision Required:	Yes	In the Forward Plan:	Yes
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CABINET

JOINT REPORT OF THE PORTFOLIO HOLDER FOR CORPORATE FINANCE & GOVERNANCE AND THE PORTFOLIO HOLDER FOR HOUSING

12 NOVEMBER 2021

A.11 FREEHOLD SALE OF A RESIDENTIAL PROPERTY IN HARWICH BY AUCTION (Report prepared by Jennie Wilkinson)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To seek approval, in principle, from Cabinet to agree the freehold sale at Auction of a five bedroom residential property in Harwich requiring substantial structural and maintenance work.

EXECUTIVE SUMMARY

In December 2019 Cabinet made the decision to dispose of a five bedroom residential property in Harwich requiring substantial structural repairs and maintenance work. In December 2020 the price of the sale was re-negotiated following a structural engineers report on the condition of the property, commissioned by the prospective purchaser. This sale has since fallen through and approval is now sort for the property to be put to Auction, on the terms set out in Part B of the Agenda.

RECOMMENDATION(S)

That Cabinet agrees the principle of the property being sold at Auction.

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

Regenerating the District and improving deprived areas.

A capital receipt to the Housing Revenue Account offers potential to contribute to the investment in acquiring an additional, more suitable property in the Harwich area.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The house is currently vacant and has not been let since the last tenant moved out in April 2019. Due to the nature and age of the house the maintenance and running costs are high and selling the property will avoid the Council having to spend upwards of £50,000 in capital works to solve dampness and structural problems. 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

Risks are considered in Part B of the Agenda.

LEGAL

Section 123(1) Local Government Act 1972 indicates that a local authority may dispose of land held by it in any way it wishes so long as (section 123 (2)) the land is disposed for a consideration not less than the best that can reasonably be obtained.

The General Disposal Consent Order (England) 2003 gives consent for disposal at below best consideration reasonably obtainable provided that the undervalue is less than £2m and the proposal enhances the environmental economic and social wellbeing of the area.

Section 123(2A) Local Government Act 1972 indicates that, a local authority may not dispose of land held by it without advertising its intention to do so in the local press.

In coming to decisions in relation to management 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.

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.

The property has been empty for over two years and is becoming an eyesore, attracting fly-tipping and has the potential to attract further anti-social behaviour if it continues to remain vacant.

Area or Ward Affected

Harwich & Kingsway

PART 3 – SUPPORTING INFORMATION

BACKGROUND

The property is in need of substantial structural and maintenance work. The design and style of the property is not typical of local authority housing and as such it has always been a difficult property to find tenants for. It has therefore been identified as surplus to requirements.

The property was marketed with a national Estate Agent for a number of weeks and an offer accepted by Cabinet in December 2019. Following a full structural survey at the request of the purchaser's mortgagees, a reduced offer was agreed at Cabinet in December 2020. This sale has since fallen through.

CURRENT POSITION

The property has stood empty and deteriorating for over two years and rather than re-marketing it with a local agent, it is proposed to put it to Auction. This means that, so long as it sells, the sale has to complete within 28 days of the Auction.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

None