

**PORTFOLIO HOLDER WITH RESPONSIBILITY FOR AND HOUSING AND PORTFOLIO
HOLDER FOR ASSETS**

29 APRIL 2024

**A. INITIATION OF THE PROPERTY DEALING PROCEDURE IN RELATION TO THE
POTENTIAL DISPOSAL OF 11 WINDMILL ROAD BRADFIELD**

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To consider whether to initiate the Property Dealing Procedure to facilitate further consideration and decision in relation to the potential disposal of 11 Windmill Road Bradfield.

EXECUTIVE SUMMARY

11 Windmill Road Bradfield is a three bedroomed semi-detached Airey house with substantial grounds. Adjoining property is privately owned and has had new external walls added.

Work was begun as a void reinstatement but during the initial stages of the work structural and other issues discovered. Significant financial and staff resource would be required to bring the property into a useable state.

Such resources are stretched and the resulting property would still be a limited life non-standard structure. It is recommended that the property dealing process is initiated in order to consider property disposal in order to facilitate investment elsewhere.

A feasibility assessment and Options Appraisal have been completed and are appended to the report.

RECOMMENDATION(S)

It is recommended that The Portfolio Holders authorise the initiation of the Property Dealing Procedure in order to facilitate valuations, negotiations and other investigation to facilitate further decisions on resources and disposal.

REASON(S) FOR THE RECOMMENDATION(S)

To facilitate further informed decisions on the potential disposal of the property.

ALTERNATIVE OPTIONS CONSIDERED

Not initiating the process – not proposed – Would require the property to be mothballed or repaired.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Potential acquisition and upgrading of the site including nature conservation, recreation and education facilities would contribute to Corporate Priorities:

- Pride in our area and services to residents
- Championing our local environment
- Financial Sustainability and Openness

OUTCOME OF CONSULTATION AND ENGAGEMENT

The ward member and the tenants' panel have been consulted. No concerns have been raised in respect of the proposed initiation of the disposal process.

LEGAL REQUIREMENTS (including legislation & constitutional powers)

Is the recommendation a Key Decision (see the criteria stated here)	YES/NO	If Yes, indicate which by which criteria it is a Key Decision	☐ Significant effect on two or more wards ☐ Involves £100,000 expenditure/income ☐ Is otherwise significant for the service budget
		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	

The Powers to provide and deal with social housing land and property are provided by the Housing Act 1985 and accordingly this land is held under Pt II of that Act.

Section 32 of the Housing Act 1985 gives the Council discretionary power to dispose of land held under Part II of that Act provided that the consent of the Secretary of State is given.

Section 44 of the Act provides: "(1) A disposal of a house by a local authority made without the consent required by section 32 or 43 is void, unless—

- (a) the disposal is to an individual (or to two or more individuals), and
- (b) the disposal does not extend to any other house."

The General Consent for the Disposal of Land held for the purposes of Part II of the Housing Act 1985 – 2013 provides that:

"...A3.1.1 A local authority may, subject to paragraph 3.1.2, dispose of land for a consideration equal to its market value...

A3.2 A local authority may dispose of vacant land.

A3.3.1 A local authority may dispose of an unoccupied dwelling-house to a person who intends to use it as their only or principal home subject to paragraphs 3.3.2 to 3.3.4...."

In this case the rationale for the proposed disposal is the non-standard construction and extensive work necessary. It is unlikely that the property is habitable or mortgageable and therefore that market value can be achieved in a sale to an individual (whether or not they plan to use it as their only dwelling house). Accordingly the criteria in the general consent cannot

both be achieved and it is considered that the approval of the Secretary of State is required. It is proposed that this is sought as part of the disposals process.

☐ **The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:**

Nothing to add to the foregoing at this stage.

FINANCE AND OTHER RESOURCE IMPLICATIONS

The options appraisal attached sets out indicative costs and values of the various options for repairing or disposing of the property. The financing of the HRA is ring fenced from the general fund and is established to be self-sustaining within the context of the 30 year business plan.

Funding and other resources for a repair/refurbishment project would be drawn from within the Housing Investment Programme and revenue repairs budgets. These budgets and corresponding staff resources are already at full stretch and demand is increasing due to the onset of regulation of the sector, legislative and regulatory requirements and increasing claims.

Given the pressing need to invest in the wider stock the disposal of this individual property is a pragmatic way to prioritise the use of current resources and achieving some level off capital receipt to contribute to acquisition of modern property or improvement of existing ones.

The nature and condition of the property means that it is uninhabitable and unmortgageable it is likely therefore that an auction disposal will be recommended. Further decisions on disposal options and terms will be made as part of the property dealing procedure and subject to advice received.

☐ **The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:**

Nothing to add to the foregoing at this stage.

USE OF RESOURCES AND VALUE FOR MONEY

The following are submitted in respect of the indicated use of resources and value for money indicators:

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	The Council operates a 30 year business plan for its housing functions, this sets a framework for decisions on expenditure and other resources. Any future decision on the site will be subject to the property dealing process.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	The Property Dealing Procedure includes investigations and steps to identify and manage risks.
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	A stock condition survey is under way in line with the expectations of the regulator. It is inevitable that this will manifest a need to reprioritise investment.

MILESTONES AND DELIVERY

That initial advice can be secured prior to the end of 2023/4 financial year, Secretary of State consent and further decisions and milestones will be subject to the outcomes of those matters.

ASSOCIATED RISKS AND MITIGATION	
Risk associated with the initiation of the Property Dealing Procedure is limited to the costs and resources that will be required to reach the point of further decision. The risk of not initiating the procedure is the ongoing cost of the empty property and the diversion of funding and staff resources from other necessary works.	
EQUALITY IMPLICATIONS	
Initiation of the process will have no effect on any protected groups. Disposal would allow the focussing of resources into other aspects of the housing stock which is likely to be generally progressive.	
SOCIAL VALUE CONSIDERATIONS	
This decision itself is unlikely to contribute significantly to local wellbeing and social value. Disposal would allow the focussing of resources into other aspects of the housing stock which is likely to be generally progressive.	
IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2030	
The property is a concrete prefabricated structure with inherently very poor thermal performance. Extensive work could prove energy efficiency but the inherent nature of the structure with its longer term running costs make it unsuitable for long term social housing purposes.	
OTHER RELEVANT CONSIDERATIONS OR 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	Efficient delivery of the Housing Service is likely to have a progressive effect in relation to crime and disorder and the fear of crime and disorder
Health Inequalities	Efficient delivery of the Housing Service is likely to have a progressive effect in relation to the health of people of the locality.
Area or Ward affected	Stour Valley

PART 3 – SUPPORTING INFORMATION

BACKGROUND
11 Windmill Road Bradfield is a three bedroomed semi-detached Airey house with substantial grounds. Adjoining property is privately owned and has had new external walls added. Airey Houses are mid twentieth century structures formed of precast concrete columns and panels. Surviving examples have significantly exceeded their design life of 20 years. Work was begun as a void reinstatement but during the initial stages of the work structural and other issues discovered. Significant financial and staff resource would be required to bring the property into a useable state.

Such resources are stretched and the resulting property would still be a limited life non-standard structure. The necessary work to bring the building to an inhabitable state in line with social housing expectations are:

- Repair of concrete columns.
- Structural alteration needs repair.
- holed and loose Concrete planks to be replaced,
- Fire separation to the adjoining dwelling
- full insulation and relining of external walls needed
- internal wall replacement required.
- Roof tiling needs to be replaced.
- Structural system must be regarded as limited life.
- Renewal of wiring
- Removal and refitting of heating and bathroom
- New kitchen and flooring
- Driveway outbuilding and grounds repairs

PREVIOUS RELEVANT DECISIONS

None

BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL

None

APPENDICES

Appendix A – Location Plan
Appendix B – Assessment of Disposal Feasibility
Appendix C – Options Appraisal

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