

# REPORT OF THE PORTFOLIO HOLDER FOR HOUSING AND PLANNING

11 APRIL 2025

## A. CONSIDERATION AND ADOPTION OF THE ACQUISITIONS DEVELOPMENT AND DISPOSALS POLICY

### PART 1 – KEY INFORMATION

#### PURPOSE OF THE REPORT

To consider the revised Acquisitions Development and Disposals Policy in relation to the operation of the Council's retained housing stock.

#### EXECUTIVE SUMMARY

The purpose of this Acquisitions Development and Disposals Policy is to set out a framework for the preparation and consideration of business cases or options' Appraisals which will be applied when considering opportunities to:

- acquire and develop land and new homes for rent and sale;
- acquire open market homes;
- acquire homes through S106 planning obligations;
- buy back former homes sold under the Right to Buy;
- buy back homes that are partly owned through the Councils' shared ownership and equity scheme, or;
- dispose of land or homes that are not appropriate for future service delivery.

The core principle of the policy, in line with the Council's highlight priority to develop the long term HRA 30 Year Business Plan proposals to secure sustainability of the HRA to include: management of long term empty properties and respond to the new Government's drive to increase the stock of social housing, is to provide buildings that are fit for purpose, sustainable, provide suitable access and are appropriate for use to meet the demand for housing within the District.

This version of the policy is an evolution of the first such policy Acquisition and Development, adopted on 09 October 2020. The new policy adds a dimension of property disposals aimed at addressing some parts of the housing stock that is no longer suitable or economic. The new policy references needs studies and figures that will be applicable at the time of individual decision making whereas the predecessor document had data from the time of drafting. This change will make the policy more future proof and pertinent to what circumstances may exist in the future. A more cautious approach to third party funding is taken, recognising the importance of long term sustainability as well as shorter term delivery.

The policy aims to strike a proportionate balance in maintaining and enhancing stock levels, seeking to acquire newer, better properties and to dispose of older, weaker ones.

To assist the Council to better understand our housing stock, the Development and Building Team have access to various software. Lifespan (asset management) and Oneserve are housing specific data management platforms that hold all of the Council's compliance and stock data including the issuing of and monitoring of work flows. The use of Safety Culture (iAuditor), as an inspection tool, enables the creation of templates to assist with the recording of the relevant information required when all types of site inspections are undertaken. This captured information also feeds into responsive and planned maintenance works including the management of disrepair complaints.

This Policy also strongly supports one of the six themes contained in the Council's Corporate Plan and Vision 2024-2028: Pride in our Area and Services to Residents, with a continuing commitment to providing decent Council housing that everyone deserves.

The adoption of this Policy will also assist with the compliance of the legal and regulatory standards for performance.

The principles of this policy may be informative to the nature of properties to be constructed under the pending LUF and UKSPF projects. The delivery of social units within those schemes is consistent with local needs. However, this policy is not intended to be determinative in terms of whether to proceed because the projects were conceived, approved and funded in pursuit of wider regeneration and place shaping objectives.

#### **RECOMMENDATION(S)**

**It is recommended that the Portfolio Holder approves the revised Acquisitions Development and Disposals Policy for its housing stock and authorises its direct and immediate implementation.**

#### **REASON(S) FOR THE RECOMMENDATION(S)**

**In order to set in place clear plans and policies to inform future maintenance and management activities and such policy framework to evidence compliance with regulatory standards. This Policy further provides that our buildings are fit for purpose, sustainable, provide suitable access and are appropriate for use to meet the demand for housing within the district.**

#### **ALTERNATIVE OPTIONS CONSIDERED**

Not revising the Policy in place – not proposed – the revised policy includes additional details in relation to disposals and updates other areas in relation to the current environment.

## **PART 2 – IMPLICATIONS OF THE DECISION**

#### **DELIVERING PRIORITIES**

This Policy contributes to a number of themes within the Corporate Plan 2024-28:

**Pride in our area and services to residents**

*“We want to put residents’ first, by promoting clean and tidy communities, providing decent housing that everyone deserves...We also want to promote pride in our communities by encouraging everyone to take responsibility for keeping their area a pleasant place in which to live and work.”*

This Policy assists with promoting and embedding the management and provision of our Council owned housing stock and achieving high standards.

### **Raising aspirations and creating opportunities**

*“Tendring is ambitious and our residents will be supported to reach their potential and realise their opportunities...”*

Quality housing is considered to be one of the determinants of health and success. This Policy is aimed at enhancing and embedding quality standards in the stock that the Council controls.

### **Championing our local environment**

*“We believe our environment is special, it is the space where we live and work, and therefore deserves protection. We will be tough on those who do not respect our environment. We want to create and maintain spaces for leisure, wellbeing and healthy lifestyles, and deliver access to open spaces and community resources.”*

This Policy promotes and embeds the management and provision of our homes and achieving high standards.

### **Working with partners to improve quality of life**

*“We want to promote safer, healthier, well connected and inclusive communities...”*

Quality housing is considered to be one of the determinants of health and success. This Policy is aimed at embedding quality standards in the stock that the Council controls.

### **Financial Sustainability and openness**

*“To continue to deliver effective services and get things done we must look after the public purse; that means carefully planning what we do, managing capacity, and prioritising what we focus our time, money and assets on...”*

This Policy is aimed at dealing effectively with our housing stock, with financial openness with our tenants and leaseholders. It also aims to embed practices in line with the new consumer standards as outlined in the social housing regulatory framework.

**OUTCOME OF CONSULTATION AND ENGAGEMENT** (including with the relevant Overview and Scrutiny Committee and other stakeholders where the item concerns proposals relating to the Budget and Policy Framework)

Consultation was undertaken with members of the Council’s Tenants Panel on 18 March 2025 and although no specific comments were made, support for the Policy was received.

### **LEGAL REQUIREMENTS (including legislation & constitutional powers)**

<b>Is the recommendation a Key Decision</b>	<b>YES/NO</b>	<b>If Yes, indicate which by which criteria it is a Key Decision</b>	<input checked="" type="checkbox"/> <b>Significant effect on two or more wards</b> <input type="checkbox"/> <b>Involves £100,000 expenditure/income</b>
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(see the criteria stated here)			<input type="checkbox"/> <b>Is otherwise significant for the service budget</b>
		<b>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)</b>	19 December 2024

The Council has the necessary powers which enable it to build new Council housing and the powers to sell a limited number, currently up to five per year. Part A of the General Housing Consents 2013 provides consent for the disposal of land held for housing purposes within the HA 1985. Under 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

Where a person (a) is not a secure tenant ... the local authority may dispose of the unoccupied dwelling house at a price which is not less than an amount equal to the purchase price defined in section 126 (right to buy purchase price) to which the minimum discount, as provided for by section 129, has been applied.

The commentary to the General Consent provides some further explanation for each part and states at clause 3:

“paragraph 3.3 permits local authorities to dispose of dwellings at discounts equivalent to the Right to Buy discount to existing council tenants and others who, the local authority has decided, need help accessing home ownership in the area (for example, key workers or ex-military personnel, although that is for the local authority to decide).” Land and property valuations need to be consistent with the Council’s Property Dealing Procedure. Legal authority must be sought for all land and property transactions and completed through Legal Services.

Section 9 of the Housing Act 1985 states a housing authority may provide accommodation for housing purposes by with erecting or converting buildings into houses, on land acquired by them or by acquiring houses.

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.

Section 19 of the Housing Act 1985 provide the power to appropriate land owned by the council for housing purposes.

Section 32 of the Housing Act 1985 provides the principal power for the disposal of land owned for housing purposes.

Provisions within the Housing Act 1985, sections 9 and 56, allow for the Council to designate the building as a hostel for the provision of housing accommodation and therefore, accounted for within the HRA.

Section 12 Local Government Act 2003 empowers the Council to invest if the purpose is relevant to its functions and consistent with the prudent management of its financial affairs.

The Social Housing Regulation Act 2023 builds upon the existing regulatory framework for housing and introducing revised standards and tenant satisfaction measures which came into force on 1 April 2024. These standards contain specific expectations registered providers of social housing must comply with and detail the outcomes that providers are expected to achieve.

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

As stated in the body of the report, the Portfolio Holder responsible for Housing has delegated authority to make amendments to Cabinet's previously adopted Policy.

Further to the position as stated in the implications of Devolution and/or Local Government Reorganisation, the Council has stated a preference for 5 unitary councils (being one of 10 out of 15) within Greater Essex but acknowledging further work is necessary on the evidence and data to support this preference. It is not currently known which local government areas will transfer into which unitary, if Local Government Reorganisation proceeds however, the proximity of Tendring, Colchester and Braintree support early collaboration where possible.

#### **FINANCE AND OTHER RESOURCE IMPLICATIONS**

The provision of housing services is mainly self-funding with other separate processes for the General Fund functions. However, the wider effects of regulation, Tenants' Charter and potential changes to Decent Homes Standard as well as Minimum Energy Efficiency Standards are still to be fully understood. Initial funding has been agreed separately to facilitate stock condition monitoring and enhanced estates functions. Further additional costs are inevitable as the demands on the service increase. These will be managed through the 30 year business plan.

The Council can fund the delivery of new homes, whether built or purchased, using a mix of funding sources, which include Housing Revenue Account reserves, Right to Buy receipts, financial contributions from developers in place of on-site affordable housing, and prudential borrowing.

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

There are no further comments over and above those set out elsewhere within the report.

#### **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 has an adopted Financial Strategy.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including; and	The Council has a mature constitutional structure and framework of policy for decision-making. It is intended that the appended policies will augment that framework.
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance	The Council has an adopted Financial Strategy.

to improve the way it manages and delivers its services.	
<b>MILESTONES AND DELIVERY</b>	
<p>If the Portfolio Holder is minded to adopt this Policy, it will come into immediate effect, subject to any call-in.</p> <p>The review of the procedures within the Policy will be carried out periodically as indicated within the Policy itself.</p>	
<b>ASSOCIATED RISKS AND MITIGATION</b>	
<p>Land and property valuations must align with the Council's Property Dealing Procedure. Legal authority is therefore required for all land and property transactions which must be finalised through Legal Services. Formal independent valuation advice is necessary for all acquisitions and disposals. Additionally, all acquisitions will undergo legal investigation and due diligence, including relevant surveys to mitigate risks. If these investigations reveal risk which makes the acquisition unviable, the transaction will not proceed.</p> <p>One of the complicating factors in considering overall viability is the Right to Buy. Whilst discount levels have been reduced and the application of the "cost floor" (over the first 15 years after the build the Council can recover the capital cost of building the property) does protect the Council to some extent, the Council will lose capital and incur revenue processing and other costs on every new or acquired unit if purchased.</p> <p>The policy sets out criteria that must be applied before a decision is made to develop or acquire homes and sets out how the Council will manage and mitigate risks. Right to buy levels and discounts are variables over which we have little control and so the best we can do is to make estimates of sales based on historic rates and projects of house prices utilising analysts.</p>	
<b>EQUALITY IMPLICATIONS</b>	
<p>The appropriate acquisition and disposal of the Council's housing stock is an important progressive factor in enhancing equality.</p>	
<b>SOCIAL VALUE CONSIDERATIONS</b>	
<p>The appropriate acquisition and disposal of the Council's housing stock is an important progressive factor in enhancing the social wellbeing through creating healthier and more resilient communities.</p>	
<b>IMPLICATIONS RELATED TO DEVOLUTION AND/OR LOCAL GOVERNMENT REORGANISATION</b>	
<p>Essex Councils have submitted their initial proposals for Local Government Reorganisation. Further work is necessary before the final form of reorganisation is determined. TDC is one of ten Councils supporting the creation of five proposed unitary authorities. An option for the unitary authority that would cover Tendring that corresponds with the creation of five unitary authorities is for the Councils of Braintree, Colchester and Tendring to be joined together with parts of Essex County Council to form one organisation.</p> <p>These three second tier Councils have taken differing approaches to housing Provision:</p> <ul style="list-style-type: none"> <li>• Braintree: complete stock transfer, currently Eastlight Community Homes</li> <li>• Colchester: Arms length Management Organisation, Colchester Borough Homes</li> <li>• Tendring: Retained stock.</li> </ul>	

Initial discussions have identified a willingness to work together. It is likely that in time the new organisation will wish to harmonise management arrangements. Joint working and structural alignment are likely to take some time to agree and it is proposed to ensure continuity by adopting a policy for the short term that can be continued by the new organisation if required or be replaced by joint working ideas or a new policy as deemed appropriate at the time.

#### **IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2050**

The appropriate acquisition and disposal of housing stock is a contributory factor in the assisting of reducing energy use. Other measures linked to stock condition and other ongoing work are key contributing factors and will be evaluated within the 30 year business plan.

#### **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.**

<b>Crime and Disorder</b>	The appropriate acquisition, disposal, maintenance and management of the housing stock is an important progressive factor in addressing the causes of crime and disorder.
<b>Health Inequalities</b>	The appropriate acquisition, disposal, maintenance and management of the housing stock is an important progressive factor in terms of health equalities.
Subsidy Control (the requirements of the Subsidy Control Act 2022 and the related Statutory Guidance)	The Council will follow subsidy control legislation and regulations, where applicable in relation to the content and implementation of these policies.
<b>Area or Ward affected</b>	All

### **PART 3 – SUPPORTING INFORMATION**

#### **BACKGROUND**

The Council has retained its housing stock, owning and managing over 3,000 dwellings in addition to significant numbers of leasehold flats, garages and community property. The Council has historically attained high tenant satisfaction levels with strong compliance with decent homes standard.

The Council has now implemented a Housing Asset Management Plan aimed at managing its housing stock to the highest practical standards. This Plan ensures that all tenants and leaseholders have access to safe, efficient and well maintained housing that meets the Decent Homes Standard and other relevant legislative and regulatory requirements. This Policy will therefore support this in order that the Council will, based on a business case and options appraisal:

- acquire dwellings, land or other properties
- develop new dwellings or other premises
- dispose of dwellings, land or other properties

The Social Housing (Regulation) Act 2023 was enacted on 1 April 2024. The Act allows the Regulator of Social Housing to take action against social landlords holding such landlords to

account with regular inspections. Through the introduction of the new social housing Consumer Standards, the Secretary of State has power to require social landlords to investigate and rectify serious health hazards. These Consumer Standards contain specific expectations registered providers of social housing must comply with and detail the outcomes providers are expected to achieve. Therefore as a social housing landlord, it is important that Tendring District Council is fully equipped to meet the increased demands and the need to establish a proactive consumer regulation regime with active oversight on our performance.

Although the adoption of this Policy is not of itself mandatory, there are legal and regulatory standards for performance which these policies aspire to formalise compliance with and are therefore intended to augment the Council's policy framework.

#### **PREVIOUS RELEVANT DECISIONS**

The previous policy was adopted by the Cabinet on 09 October 2020 (min. 71). It included a delegation to the Portfolio Holder to amend the policy in the future.

The following Policies have been approved by Cabinet:

- Damp and Mould (November 2023)
- Repairs and Maintenance (November 2023)
- Fire Safety (November 2023)
- Gas Safety Policy (December 2024)
- Electrical Safety Policy (December 2024)
- Fencing and Paving Policy (December 2024)
- Empty Council Homes Management Policy (December 2024)
- Asbestos Management Plan (February 2025)
- Housing Asset Management Plan (February 2025)

#### **BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL**

None

#### **APPENDICES**

**Appendix A – Housing Acquisitions Development and Disposals Policy**

#### **REPORT CONTACT OFFICER(S)**

<b>Name</b>	<b>Andy White</b>
<b>Job Title</b>	<b>Assistant Corporate Director, Building and Public Realm</b>
<b>Email</b>	<b>awhite@tendringdc.gov.uk</b>