

Report of:	Head of Housing & Partnerships
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Key Decision:	No
Report Track:	Cabinet: 13/11/19

CABINET
13 NOVEMBER 2019
27 FLORENCE STREET, HEDNESFORD

1 Purpose of Report

- 1.1 To seek Cabinet authority for a disposal of the freehold interest in 27 Florence Street, Hednesford.

2 Recommendation(s)

- 2.1 That Cabinet authorises an open market disposal of the freehold interest in 27 Florence Street, Hednesford on terms and conditions to be agreed by the Head of Economic Prosperity.
- 2.2 That Cabinet delegates authority to the Head of Economic Prosperity to instruct agents to market the above property for sale and to take all other actions required to implement the recommendation.

3 Key Issues and Reasons for Recommendations

Key Issues

- 3.1 27 Florence Street is a two bedroom mid terrace property that is owned by the Council and managed as part of its housing stock. The property became vacant in mid August 2019.
- 3.2 An inspection of the property under the standard housing voids process revealed that the cost of bringing the property up to Decent Homes Standard, and ensuring that it also meets the standards required under the Homes (Fitness for Human Habitation) Act 2018, will be in the region of £31,730. This work will need to be undertaken before the Council can re-let the property.

Reasons for Recommendations

- 3.3 Disposal of the freehold interest in the property will avoid the need for the Council to spend money upgrading it as it can be sold in its existing condition.

The Council would receive a capital receipt that will be determined by market demand.

- 3.4 It is therefore recommended that 27 Florence Street, Hednesford is declared surplus to Council requirements and offered for sale on the open market.

4 Relationship to Corporate Priorities

- 4.1 This report supports the Council's Corporate Priorities as follows:
- (i) Promoting Prosperity – Increasing housing choice

5 Report Detail

- 5.1 27 Florence Street is a two bedroom mid terrace property that was acquired by Cannock UDC (along with neighbouring property 25 Florence Street) from the British Railways Board in 1967. No. 25 Florence Street was sold under RTB provisions in 1999 but no. 27 is still owned by the Council and managed as part of its housing stock. The property became vacant in mid August 2019. The Council does not own any adjoining property.
- 5.2 In accordance with the Council's standard voids process the property has been inspected by the Housing Voids Team. The inspection revealed that the cost of bringing the property up to Decent Homes Standard, and ensuring that it also meets the standards required under the Homes (Fitness for Human Habitation) Act 2018, is in the region of £31,730. The necessary work includes a new roof plus new timbers; renewal of the concrete living room floor; replacement of the existing staircase; new internal stud walls; replacement bathroom; drainage works and a complete rewire of the property. This work will need to be undertaken before the Council can re-let the property.
- 5.3 The annual rental value of the property is in the region of £3,900 (previously let at £75.17/week). If the required works were undertaken it would be almost eight years before the Council had recovered the cost of them.
- 5.4 Disposal of the freehold interest in the property will avoid the need for the Council to spend money upgrading it as it can be sold in its existing condition. The Council would receive a capital receipt that will be determined by market demand. The likely capital receipt achievable will reflect the property's current condition.
- 5.5 It is therefore recommended that 27 Florence Street, Hednesford is declared surplus to Council requirements and offered for sale on the open market.

6 Implications

6.1 Financial

As referred to in para 3.2, the cost of renovating the property to meet the decent homes standard to re-let is estimated at £31,730, which based on rental value would take almost eight years to repay.

Any sale proceeds will be a Capital Receipt for the HRA which will be available to fund future Approved Schemes within the HRA Capital Programme.

Any costs associated with the disposal will need to be contained within existing HRA approved budgets.

6.2 Legal

27 Florence Street, Hednesford is held by the Council subject to Part II of the Housing Act 1985. The "General Consent for the Disposal of Land held for the purposes of Part II of the Housing Act 1985 – 2013", allows the Council to dispose of 27 Florence Street, Hednesford, without obtaining the consent of the Secretary of State, provided that it is sold for a price equal to its open market value.

6.3 Human Resources

None

6.4 Section 17 (Crime Prevention)

None

6.5 Human Rights Act

None

6.6 Data Protection

None

6.7 Risk Management

None

6.8 Equality & Diversity

None

6.9 Best Value

None

7 Appendices to the Report

None

Previous Consideration

None.

Background Papers

None.