

REPORT TO CABINET

28 August 2019

Subject:	Appropriation of Various Properties to the Housing Revenue Account
Presenting Cabinet Member:	Councillor Bob Lloyd - Cabinet Member for Inclusive Economic Growth
Director:	<p>Director - Housing and Communities - Alan Caddick</p> <p>Executive Director - Neighbourhoods – Dr. Alison Knight</p> <p>Executive Director – Resources – Darren Carter</p> <p>Director – Regeneration and Growth Amy Harhoff</p> <p>Director – Law and Governance and Monitoring Officer Surjit Tour</p>
Contribution towards Vision 2030:	 
Key Decision:	Yes
Cabinet Member Approval and Date:	Councillor Lloyd
Director Approval:	Yes
Reason for Urgency:	Urgency provisions do not apply
Exempt Information Ref:	Exemption provisions do not apply
Ward Councillor (s) Consulted (if applicable):	This is a boroughwide initiative
Scrutiny Consultation Considered?	Scrutiny consultation has not been undertaken

Contact Officer(s):	Paul Evans Asset Manager paul_evans@sandwell.gov.uk
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DECISION RECOMMENDATIONS

That Cabinet be recommended to:

- 1 Declare the following properties surplus to the council services identified:
 - (a) 5 Dagger Lane, West Bromwich, B71 4BB surplus to the requirements of Parks and Countryside;
Site plan identification reference SAM/13860/006
 - (b) 25 Woodland Drive, Smethwick, B66 1JF, surplus to the requirements of Children's Services
Site plan identification reference SAM/54340/004
- 2 Subject to 1 above:-
 - (a) authorise the Director – Regeneration and Growth to appropriate the land and premises shown for identification purposes as Appendix A from the general fund to housing revenue account;
 - (b) authorise the Director – Housing and Communities to manage and let the premises as part of the Council's housing stock;
 - (c) authorise the Executive Director – Resources to adjust the accounts accordingly.

1 PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to authorise the appropriation of land identified under section one of the recommendations of this report to accommodate subsequent use by Housing and Communities as part of the housing stock.
- 1.2 This report is a follow up from the original report to the Land and Asset Management Committee on 24 January 2019 (Minute No. 2/19 refers);

'that a further report be submitted detailing the alternative options for 5 Dagger Lane, 25 Woodland Drive, Harry Mitchell Lodge and the Heath Lane Cemetery Lodge, including sale on the open market, to ascertain the most financially viable option for the Council.'

1.3 Further to the receipt of market valuations, it is considered that the potential capital receipt from sale is not justified when considering the potential to create new council tenancies.

1.4 Further to the resolution from the Land and Asset Management Committee on 24 January 2019, both Harry Mitchell Lodge and Heath Lane Cemetery Lodge will be dealt with via separate reports.

2 IMPLICATION FOR THE VISION 2030

2.1 The proposals in this report contribute to achieving the Council's ambition as follows:

- Ambition 7 – We now have many new homes to meet a full range of housing needs in attractive neighborhoods and close to key transport routes – It will provide the opportunity to bring this asset back into use and to provide a good quality and attractive home for the residents of Sandwell.

3 BACKGROUND AND MAIN CONSIDERATIONS

3.1 5 Dagger Lane, West Bromwich is a house that was used to provide a service tenancy. It is no longer required for such a purpose and is therefore surplus to the requirements of the service. 5 Dagger Lane is of importance to the wider Sandwell Valley regeneration proposals as re use of the house as a tenancy will facilitate further critical land assembly in the area.

3.2 25 Woodland Drive, Smethwick is a town house that was until recently used as a children's play centre by Sandwell adventure play association (Sapa) who have now ceased activities.

4 CURRENT POSITION

4.1 5 Dagger Lane, West Bromwich. The property has been surveyed by housing services. The proposal is to refurbish the house and rent it for social housing accommodation. A new tenancy will release a property/land in the area which is important for the Sandwell Valley regeneration proposals. 5 Dagger Lane is therefore of strategic merit.

4.2 25 Woodland Drive, Smethwick. The proposal is to return the town house to social housing accommodation and to explore the option to build a second house on the site.

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1 There has been no consultation with customers and/or stakeholders. However, Houses and Communities are keen to take on these properties in support of an increasing demand for council housing.

6 ALTERNATIVE OPTIONS

- 6.1 The Council could dispose of the land and premises on the open market but in doing so would lose the opportunity to increase the council's housing stock. There are a significant number of Sandwell residents on the council house waiting list, increasing the supply of houses helps to make a positive impact in support of this ongoing demand.

7 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 The Land and Asset Management Committee on 24 January 2019 recommended that an independent, open market valuation of each house should be undertaken.
- 7.2 The valuations are however financial information which is confidential as it could potentially give an advantage to the market if the sites were identified for disposal.
- 7.3 It is considered that the potential capital receipt from sale is not justified when considering the potential to create new council tenancies.
- 7.4 The level of investment anticipated in bringing these sites back in to operation and suitable for letting are with the parameters of the Housing & Communities business development model pay back timescales.
- 7.5 The recommendations set out in this report are in line with current housing policy. Housing, including privately owned accommodation is currently being considered and identified for acquisition as one of several initiatives in order to help meet the increasing demand for council housing.
- 7.6 Subject to the approval of the recommendation set out in this report the current holding asset valuation would be used to support the appropriation of the sites from the General Fund in to the Housing Revenue Account.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 Section 122 of the Local Government Act 1972 the Council may appropriate land which belongs to the council and which is no longer required for the purpose for which it was acquired and is subsequently held.
- 8.2 A check of title of each property has been completed. No issues that would prevent the proposals identified for each property has been found.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 An equality impact assessment has been undertaken and is attached as part of this report.

10 DATA PROTECTION IMPACT ASSESSMENT

- 10.1 There are no specific data protection measures to consider, all data relating to the matter is maintained in accordance with the Data Protection measures previously implemented by the Council.

11 CRIME AND DISORDER AND RISK ASSESSMENT

- 11.1 Crime and disorder implications will be considered as part of the alternative use of the premises by service area concerned.
- 11.2 Bringing each property back into productive use should reduce the opportunity for crime and disorder activity to take place.

12 SUSTAINABILITY OF PROPOSALS

- 12.1 The benefit to the wider community is the utilisation of an empty properties and bringing it back into use.
- 12.2 The appropriation of the property to the Council's housing stock is a welcome addition to provide greater opportunities for housing Sandwell residents.

13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

- 13.1 By bringing empty properties back into use and refurbishing them to the required standard will result in a positive impact on not only the occupants but the residents within the locale.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

- 14.1 This report is in line with Council's asset management strategy to make a greater use of underutilised assets. Appropriating the premises to the Housing Revenue Account assists in accommodating a more efficient and effective asset portfolio.
- 14.2 The recommendations set out in this report also support current housing policy.

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 15.1 The main reasons for seeking to appropriate the land/properties in question is to ensure the properties are brought back into economic beneficial use, supporting the increasing demand for council housing in Sandwell.

Amy Harhoff
Director Regeneration and Growth

Alan Caddick
Director – Housing and Communities