

# Agenda Item IMD1

## INDIVIDUAL EXECUTIVE MEMBER DECISION

REFERENCE IMD: IMD 2021/01

<b>TITLE</b>	Sale of an HRA Asset
<b>DECISION TO BE MADE BY</b>	Executive Member for Finance and Housing – John Kaiser
<b>DATE, MEETING ROOM and TIME</b>	6 January 2021 Microsoft Teams Meeting at 11:00am
<b>WARD</b>	Hurst;
<b>DIRECTOR / KEY OFFICER</b>	Deputy Chief Executive - Graham Ebers

### **PURPOSE OF REPORT (Inc Strategic Outcomes)**

To recommend the sale of Laburnhams, 16 Davis Street, Hurst, Berkshire, RG10 0TJ that will lead to receiving a capital receipt to put towards reinvestment into new homes in conjunction with retained right to buy receipts.

It is anticipated the disposal of this asset will generate approximately £400,000 (estimate based on auctioneer's feedback).

### **RECOMMENDATION**

That the Executive Member for Finance and Housing approves the disposal of; Laburnhams, 16 Davis Street, Hurst, Berkshire, RG10.

### **SUMMARY OF REPORT**

The report details the proposed sale of;

Laburnhams, 16 Davis Street, Hurst, Berkshire, RG10, became vacant on the 10th February 2020. This is a three bedroom semi-detached house.

## Background

The 1<sup>st</sup> April 2012 introduced self-financing for local authority owned council housing. To accompany Housing Revenue Account (HRA) reform the government granted greater freedoms to local authorities over the disposal of assets and use of funds from disposal. Since October 2018 the borrowing cap for local authorities with HRA's has been removed giving Wokingham additional financial freedoms.

Self-financing and the removal of the borrowing cap has given local authorities the potential to put in place proactive asset management, elements of proactive asset management include;

- Asset acquisitions, Wokingham Borough Council is proactively making strategic purchases as the right properties become available
- Asset disposals, where assets require investment to bring them up to the decent homes standard and/or are away from larger estates they are considered for disposal
- Opportunities for development

## Business Case (including Analysis of Issues)

The asset is located away from other council homes and has generated management issues due to its location. Recently it has been used for temporary accommodation.

The asset has been circulated to council colleagues and reviewed and discussed at the Asset Review Board and the Specialist Housing meeting. No other council departments expressed an interest in these assets.

It is proposed to dispose of the properties either by auction or via a local estate agent depending on market circumstances at time of disposal.

## FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

***The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.***

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£1220.16 reduced rental income in 2020/21	The sale of the property will make up for the rent loss.	Revenue (rental loss)
Next Financial Year (Year 2)	£8145.28 reduced rental income in 2020/21	The sale of the property will make up for the rent loss.	Revenue (rental loss)
Following Financial Year (Year 3)	Rental income cpi +1%	The sale of the property will make up for the rent loss.	Revenue (rental loss)

### Other financial information relevant to the Recommendation/Decision

The HRA will receive a capital receipt from the disposal for reinvestment into other assets.

<b>Cross-Council Implications</b>
There will be a reduction of one social rented home, there is additional new social rented housing coming online in the coming year from WHL and housing associations, this will offset the loss.

<b>Public Sector Equality Duty</b>
Due regard has been given to WBC's duties under the Equality Act 2010.

<b>SUMMARY OF CONSULTATION RESPONSES</b>	
<b>Director – Corporate Services</b>	No comment
<b>Monitoring Officer</b>	No comment
<b>Leader of the Council</b>	No comment

<b>Reasons for considering the report in Part 2</b>
N/A

<b>List of Background Papers</b>
A review document providing further information.

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