

Agenda Item IMD22

INDIVIDUAL EXECUTIVE MEMBER DECISION

REFERENCE IMD: IMD 2021/22

TITLE	Disposal HRA House Remenham Hill
DECISION TO BE MADE BY	Executive Member for Finance and Housing - John Kaiser
DATE, MEETING ROOM and TIME	20 December 2021 David Hicks 1 at 12pm
WARD	Remenham, Wargrave and Ruscombe;
DIRECTOR / KEY OFFICER	Director, Place and Growth - Steve Moore

PURPOSE OF REPORT (Inc Strategic Outcomes)

To recommend the sale of 2 Remenham Hill, Remenham, Berkshire, RG9 3EE 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 (based on Property Services estimate).

RECOMMENDATION

That the Executive member for Housing and Finance approves the disposal of;
2 Remenham Hill, Remenham, Berkshire, RG9

SUMMARY OF REPORT

The report details the proposed sale of;

2 Remenham Hill, Remenham, Berkshire, RG9, became vacant on the February 2021.
This is a two bedroom semi-detached house.

Background

The 1st 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 most of our other council homes and has generated management issues due to its location.

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 2021/22	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 for the disposals for reinvestment into other assets

Cross-Council Implications
There will be a reduction of one social rented home, there is additional new social rented housing coming online in the coming year from the Local Housing Company, the HRA and housing associations, this will offset the loss.

Public Sector Equality Duty
We confirm that due regard to Public Sector Equality Duty has taken place to include a housing needs assessment. An initial Impact Assessment has been completed and no impact to Protected Characteristic was identified

SUMMARY OF CONSULTATION RESPONSES	
Director – Resources and Assets	No comment
Monitoring Officer	No comment
Leader of the Council	No objection
Ward Members	No objection

Reasons for considering the report in Part 2
N/A

List of Background Papers
None

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