

Sandwell Metropolitan Borough Council

Action Taken Under Delegated Powers

Consent sought from Bromford Housing Association for disposal of 4 Painswick Close Walsall WS5 4HU, on the open market

1.0 Summary Statement

- 1.1 The purpose of this report is to seek the Director of Housing and Communities approval for Bromford Housing Association (BHA) to dispose of a property in their ownership (a terraced house, 4 Painswick Close Yew Tree).
- 1.2 Disposal of social housing dwellings require the Homes England consent under section 172 of the Housing and Regeneration Act 2008. To obtain the consent, the Registered Provider must have the approval of the Local Authority. On the 22 May 2018, the Council received a request from BHA for approval to dispose of a property on the open market.
- 1.3 The property in question, is a 1971 built 3bedroom terraced house. BHA have stated that the property is unsustainable for retention within their portfolio or stock. This because:
- It is a singularly acquired property in a noncore area.
 - Poor economic performance.
 - High maintenance costs
- 1.4 Details provided by BHA show that to bring the property up to their lettings standard would cost in the region of £7,000. This would involve:
- Replacement window in one of the bedrooms
 - Replacement front and back doors
 - Replacement of internal doors
 - Decorations
 - Replacement boilers

- 1.5 A request was made that any proceeds from the sale of the property (in the form of Recycled Capital grant (RCGF)) should be used in the Sandwell area. BHA have said that they are in the process of purchasing a site in Sandwell (Mill Lane Oldbury) for the construction of 50 affordable homes.
- 1.7 Further information was requested regarding possible alternatives to disposal on the open market, these were: -
- (1) Disposal of the property to another Registered Provider (RP)
 - (2) To let the property at a market rent.
- 1.8 BHA have made the point that they need to place the property on the open market to ensure that best price is achieved. In terms of market renting, BHA have stated that ...” market rent is not something that sits well with our model of providing homes for affordable rent. The decisions we make on homes we consider for disposal is not based on the rental income we receive, but more the long-term investment costs of the home and how it fits with our locality model”.

2.0 Recommendation

- 2.1 That Bromford Housing Association is given approval (by a formal letter or e-mail) to dispose of the property 4 Painswick Close Yew Tree Walsall West Midlands WS5 4HU on the open market.

In accordance with the authority delegated to Chief Officers to act on matters within the authority delegated to them under Part 3 of the Council's Constitution, I intend to take the action(s) recommended above.

~~I do~~/do not have an interest to declare in this matter


Alan Caddick
Director Housing and Communities

Date:

3/7/18

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3. Background Details

3.1 None

Source Documents

E-mails dated the 18/6/18, 15/6/18 and the 24/5/18.

