

Report to	Communities Scrutiny Committee
Date of meeting	6 th February 2025
Lead Member / Officer	Councillor Rhys Thomas, Lead member for Housing & Communities.
Head of Service	Liz Grieve Head of Housing & Communities
Report author	Geoff Davies, Lead Officer – Community Housing
Title	Council Housing Disposals

1. What is the report about?

- 1.1. To consider the principle of the council voluntarily seeking to sell a council house and to review the associated processes.

2. What is the reason for making this report?

- 2.1. To examine the rationale for selling a council house or other asset and to understand the process involved with disposal.

3. What are the Recommendations?

The committee considers the contents of the report and makes any comments or recommendations.

4. Report details

- 4.1. When the Right to Buy was abolished in Wales in 2018 the council has been able to avoid selling any homes through the compulsory legislation. Under Right to Buy the council had no control over which homes were sold as existing tenants exercised their legal right. The abolition has enabled us to have more certainty over our stock in the longer term and to manage capital improvement programmes and associated budgets.

- 4.2. Our priority is to provide quality homes in the areas where the need for housing is. We are very reluctant to sell as we want to improve and also increase our housing stock where possible, but we have to accept that in some very rare cases a property may be the wrong property in the wrong location.
- 4.3. In addition to these housing need considerations, there are increasing standards for social housing along with increasing costs and we have a greater understanding of the diversity of our stock in terms of age, design and condition. We are now able to identify a very small number of homes that are increasingly unviable to retain.
- 4.4. Whilst sales through the Right to Buy were compulsory, any sale since its abolition would be a voluntary decision. In response to initial cost and viability concerns with vacant homes, we have carried out a detailed review of housing need and asset management considerations which has led to a recommendation to sell four council owned houses to date. These have been subject to delegated approval by the Head of Housing & Communities in consultation with the Lead Member.
- 4.5. These asset management considerations apply to assets owned by housing, referred to as Housing Revenue Account (HRA) assets, and can also include land, garage sites and waste treatment facilities, as examples, in addition to houses.
- 4.6. This has involved developing new processes to deal with voluntary sale of HRA assets. The four houses recommended for sale to date are:
- **Bryn Castell, Rhuddlan** – This property is currently with a subject to contract sale for an agreed price of £175k. This property was a unique stand-alone property built in the late 1800's and the required works were estimated, by an independent surveyor, to be £141k to achieve acceptable standards, in addition to layout issues that would not suit modern, family living.
 - **8, Glascoed Road, Cefn Meridog** – This property is also currently subject to contract sale of £150k. This was the last property retained by the council in a terrace in a rural location. The property was in poor condition internally and required works were estimated to be £80k. There

is no current need for housing in this location. It should be noted that a house was purchased in nearby Trefnant, which was an ex-council house adjacent to existing council houses, and which was seen as an opportunity to provide a more appropriate direct replacement in this case.

- **1 Colomendy, Cyffylliog** – This property is currently open for offers. This house is situated in a rural village where very few assets are retained and there is no housing need that cannot be met through other local housing stock. Due to the age of the previous tenant and length of their tenancy, limited works had been carried out over the years. Estimated works of £105k would be required to achieve current and future standards.
- **6 Hen Afon, Tremeirchion** – This property is currently open for offers. This property is the last house retained by the council in the middle of a terrace in a rural location. There is no current need for social housing in the immediate area. The estimated costs to achieve current and future standards is £75k.

- 4.7. In these cases, a detailed report setting out the recommendations was provided and a site visit undertaken, which included local members, in order to be able to explain the justification for sale. An example report is included in appendix 1.
- 4.8. Once a decision to dispose of a property is agreed, a number of services are involved to progress the matter. A process document has now been developed to ensure we can act efficiently once a future decision is taken. The process document is attached as appendix 2.
- 4.9. The sale of homes is expected to be rare and only in exceptional cases for clear and fully considered asset management reasons. The list of assets currently under consideration is attached in appendix 3 for information.
- 4.10. The sale of homes is currently only considered when a property is not currently tenanted. We had a recent example of a property that has similar considerations to the four above with exceptional levels of investment required due to the age, stone structure and rural location of the property. Our preference would be to sell, however, as the current tenant and their household is happy in their home they do not want to move. We have therefore developed a multi stage programme that will improve the home over forthcoming years that

will incrementally help us achieve better standards, even if full compliance is unlikely to be achieved due to the attributes of the property, whilst minimising disruption to the family.

4.11. In summary, the disposal of council assets, and in particular houses that could be homes for people in need, will only be considered in exceptional cases. These considerations are set out in the guidelines and will identify where significant levels of investment are required that cannot be considered to provide good value for money, where retention of an isolated property is not viable and where need for the type of property can be met in other ways in the area in which it is located.

5. How does the decision contribute to the Corporate Plan 2022 to 2027: The Denbighshire We Want?

5.1. Housing is a Corporate Priority and quality housing is key element of this.

5.2. Welsh Housing Quality Standard 2023 (WHQS) has working towards a net zero Housing stock as core element.

6. What will it cost and how will it affect other services?

6.1. The Housing Revenue Account is ring fenced and any receipts from sale are retained within the HRA.

7. What are the main conclusions of the Well-being Impact Assessment?

7.1. No impact assessment has been carried out however the recommendations to dispose of a property include consideration of local housing need to ensure there is no detrimental impact on people in need of housing.

8. What consultations have been carried out with Scrutiny and others?

8.1. No formal consultation has been carried out as no decision or changes proposed with this report.

9. Chief Finance Officer Statement

9.1. There are no costs associated with this report. The Housing Revenue Account (HRA) is ring fenced and costs for delivering services to tenants are budgeted and funded by the HRA. Any capital receipts from sale would be retained by the HRA.

10. What risks are there and is there anything we can do to reduce them?

10.1. The risk of failing to manage resources affectively could lead to inappropriate investment in homes that are unviable The risk is, a failure to follow the Asset Management Plan principles could lead to poor investment decisions and a failure to deliver value for money within the HRA Housing Stock Business Plan.

11. Power to make the decision

11.1. There is no decision required with this report. The Housing Revenue Account is ring-fenced by statute.