

Subject:	Appropriation of 122 Graham Avenue to HRA		
Date of Meeting:	9 July 2020		
Report of:	Interim Executive Director for Housing, Neighbourhoods & Communities Executive Director Economy, Environment & Culture		
Contact Officer:	Angela Dymott		
	Name:	Diane Hughes	Tel: 01273 293321
		Margo Burkiewicz	01273 293344
	Email:	diane.hughes@brighton-hove.gov.uk margo.burkiewicz@brighton-hove.co.uk	
Ward(s) affected:	North Portslade		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 The property 122 Graham Avenue, Mile Oak is a vacant residential property held by the General Fund, recommended to be appropriated to the HRA.

2. RECOMMENDATIONS:

- 2.1 That the Committee appropriates 122 Graham Avenue, Mile Oak from the General Fund to the HRA for a consideration of £0.325m.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The property 122 Graham Avenue, is a 3 bedroom detached house, which was previously occupied by the school caretaker for Mile Oak Primary School. Following the recruitment of a new school caretaker the school confirmed it no longer needed to provide accommodation with the caretaker role and the property was declared surplus.
- 3.2 In considering options for disposal the property was offered to the HRA who agreed to an appropriation as the property meets their accommodation requirements. Housing have completed a viability assessment on the property, which has found that a purchase is viable at Local Housing Allowance and 37.5% living wage rent levels. It is recommended that should the purchase go ahead it be used as council owned general needs accommodation. Funds are still available in the HRA Home Purchase Policy budget for 2020/21 to make this purchase.
- 3.3 An assessment of value was completed by an external agent who recommended the property was worth £0.325m.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 The preferred option is to appropriate the property for use as council housing stock (general needs or temporary accommodation), thus avoiding disposal and acquisition costs, stamp duty and fulfilling a council objective to increase housing stock numbers.
- 4.2 Alternatively the house could be sold on the open market potentially achieving a higher value less the costs. However, this would not fulfil the council's objective to increase housing stock.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 There has not been any community engagement as the matter relates to the appropriation of residential property. Internal consultations were held with Housing, Finance and Legal Services.

6. CONCLUSION

- 6.1 As the property is no longer required by the school as caretaker's accommodation and has been declared surplus for that purpose appropriation to the HRA is recommended, to provide an additional family property to meet client needs whilst achieving a capital receipt.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 A viability assessment was completed on the property, which found that appropriation breaks even for the HRA at the recommended 37.5% Living Wage rent level. As this is an appropriation between the GF and HRA there will be no Stamp Duty Land Tax (SDLT) payable allowing for a lower rent to be set. The appropriation of the property will be managed within the allocated Home Purchase Policy capital programme budget for 2020/21, this is to be funded by a combination of HRA borrowing and Right To Buy (RTB) receipts or HRA Borrowing and commuted sums. The General Fund will receive a capital receipt of £0.325m in 2020/21 which will be used to support the Corporate Capital Investment Strategy.

Finance Officer Consulted: Rob Allen

Date: 17/06/20

Legal Implications:

- 7.2 Where land is no longer required for the purposes for which it is held, a local authority may appropriate it for any purpose for which the authority is authorised to acquire land. The council has powers under the Housing Act 1985 to acquire land.
- 7.3 The purchase of the site by the HRA is covered by the Scheme of Officer Delegations as the Interim Executive Director Executive Director for Housing, Neighbourhoods & Communities can acquire residential property for consideration of up to £500,000. The decision has therefore not been to the

Housing Committee for consideration. The decision to dispose of the land from the General Fund is not covered by the Scheme of Delegations. Policy & Resources Committee is required to make decisions to dispose of property. The appropriation will occur when the committee makes the decision.

Lawyer Consulted:

Alice Rowland

Date: 11/06/20

Equalities Implications:

- 7.4 The purchase will enable access to a council family home.

Sustainability Implications:

- 7.5 The purchase will contribute to the number of general needs homes that are needed within the City and support the Home Purchase Policy.

Brexit Implications:

- 7.6 No brexit implications have been identified as arising from this report.

SUPPORTING DOCUMENTATION

Appendices:

1. Site Plan

Background Documents

1. None

