

<b>Report to</b>	Cabinet 09 March 2016	<b>Item</b>
<b>Report of</b>	Executive head of service for business relationship management and democracy	<b>10</b>
<b>Subject</b>	Managing Assets – appropriation of Housing Revenue Account land to the general fund	

## KEY DECISION

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### Purpose

To consider the appropriation of land and buildings that is no longer required for the housing use for which it is currently held

### Recommendation

To delegate authority to appropriate Pilling Park (ex-area office) from the Housing Revenue Account to the General Fund to the Executive head of regeneration and development in consultation with the Deputy leader and portfolio holder for housing and wellbeing and the Portfolio holder for resources and income generation.

### Corporate and service priorities

The report helps to meet the corporate priority value for money services

### Financial implications

An appropriation to the General Fund will result in a Minimum Revenue Provision (MRP) Requirement of around £3,000 for the next 5 years, which increases over time. The net present value over 50 years is £88,500.

Options for use of Pilling Park going forward are currently under appraisal. Any option should mitigate the MRP charge incurred due to the appropriation.

**Ward/s:** Crome

**Cabinet member:** Councillor Harris – Deputy leader and housing and wellbeing

Councillor Stonard - Resources and income generation

### Contact officers

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Philippa Dransfield	01603 212562

## Background documents

None

## Report

1. As part of the Council's ongoing accommodation strategy to consolidate staff in to City Hall, the decision was taken in November 2015 that Pilling Park area office staff would move into City Hall. Consequently the area office will close on 15 March 2016.
2. The decision to close Pilling Park area office may result in its reclassification as an 'investment property' which will require it to be transferred ("appropriated") to the General Fund. Guidance says:

"This is a separate class of property (land or a building, or part of a building, or both) that is held solely to earn rentals or for capital appreciation, or both rather than for:

  - Use in the production or supply of goods or services, or for administrative purposes, or
  - Sale in the ordinary course of operations."
3. Appropriation of dwellings from the HRA to the General Fund requires the consent of the Secretary of State under s19(2) of the Housing Act 1985, whereas appropriation of other property can be effected under s122 of the Local Government Act 1972 without requiring consent. As this would be an appropriation of non-dwellings, consent of the Secretary of State would not be required.
4. The appropriation to the General Fund would result in a Minimum Revenue Provision (MRP) Requirement of around £3,000 for the next 5 years, which increases over time. The net present value over 50 years is £88,500.
5. Options for use of Pilling Park going forward are currently under appraisal. Any option requiring appropriation to the General Fund should generate sufficient revenue to should mitigate the MRP charge incurred due to the appropriation.
6. If a use is identified that doesn't require appropriation then the delegated decision will not be taken.

## Integrated impact assessment



**NORWICH**  
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with completing the assessment can be found [here](#). Delete this row after completion

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	9/3/2016
<b>Head of service:</b>	Andy Watt
<b>Report subject:</b>	Managing Assets – appropriation of Housing Revenue Account land to the general fund
<b>Date assessed:</b>	22/2/2016
<b>Description:</b>	Managing Assets – appropriation of Housing Revenue Account land to the general fund

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Recommendations from impact assessment	
Positive	
Negative	
Neutral	
Issues	