

Committee Name: Cabinet

Committee Date: 08/09/2021

**Report Title: Transfer of assets from the
General Fund to the Housing Revenue
Account**

Portfolio:	Cllr Matthew Packer (Health and wellbeing) & Cllr Gail Harris (Housing)
Report from:	Executive director of community services
Wards:	Catton Grove, Lakenham, Crome and Mile Cross
OPEN PUBLIC ITEM	

Purpose

To transfer five General Fund assets to the HRA where they are deemed Housing assets within council owned estates.

Recommendation:

Permission is granted to move assets and their associated costs into the HRA from 2021/22 onwards

Policy Framework

The Council has three corporate priorities, which are:

- People living well
- Great neighbourhoods, housing and environment
- Inclusive economy

This report meets the Great Neighbourhoods, housing and environment, People living well and Inclusive economy corporate priorities

Report Details

1. Norwich City Council owns 15 assets considered as Community Centres. These buildings were largely constructed in areas where council housing stock was developed between the 1950s and 1980s with the aim to provide local community activity and support for surrounding tenants. They remain usually on HRA owned land.
2. In 2016 the council-initiated a footfall survey and social value reports for community centres to evidence the impact in the local area of their operations. Footfall surveys are used to evidence where people are travelling from to access centre activities and how many users are from the local area. This enables us to understand how far these centres are supporting the surrounding HRA estates. The annex provides further information on footfall data and housing locations.
3. Using this information we have identified five of these buildings which are more suitably categorized as Housing rather than General Fund assets. This is due to them being built on Housing land with the initial purpose to serve those communities and where we can evidence this remains the case. These centres are:
 - a. Catton Grove Community Centre
 - b. Jubilee Community Centre
 - c. Greenfields Community Centre
 - d. Frere Road Community Centre
 - e. Pilling Park Community Centre
4. It is recommended that these properties and associated maintenance and capital costs are transferred into the HRA.

Consultation

5. As there is no fundamental change to the status of the licensees or use of the building for the public, no public or councillor consultation has been undertaken. Finance and Housing have been consulted.

Implications

Financial and Resources

6. There is a neutral cost to the council of this recommendation.
7. There will be a decrease in General Fund costs and a matched increase in HRA costs.
8. Based on average costs from the past seven years, the repairs and maintenance costs to the centres are approximately per annum:

Centre	Annual average maintenance cost
Catton Grove Community Centre	£7,880
Jubilee Community Centre	£13,620
Greenfields Community Centre	£8,460
Frere Road Community Centre	£7,870
Pilling Park Community Centre	£7,630
Total	£45,460

9. The asset value and subsequent depreciation will transfer from the GF to HRA. Current asset values of the properties are:

Centre	Building asset value	Land asset value	Total
Catton Grove Community Centre	£72,196	£26,010	£98,206
Jubilee Community Centre	£39,299	£18,870	£58,169
Greenfields Community Centre	£51,044	£24,990	£76,034
Frere Road Community Centre	£40,671	£17,340	£58,011
Pilling Park Community Centre	£55,497	£22,440	£77,937
Total	£258,706	£109,650	£368,356

10. The transfer of asset value between the General Fund and HRA will be reflected by an adjustment to the respective CFRs (Capital Financing Requirement). This will reduce the GF CFR by £368,356 with a corresponding increase to the HRA CFR.
11. The adjustment to the CFR will generate an adjustment to the associated annual revenue interest charges, with an anticipated reduction in costs to the GF of £8,389 and corresponding increase to the HRA (based on 2020/21 charges) as set out in the table below:

Centre	Annual interest charge
Catton Grove Community Centre	£2,236
Jubilee Community Centre	£1,325
Greenfields Community Centre	£1,732
Frere Road Community Centre	£1,321
Pilling Park Community Centre	£1,775
Total	£8,389

12. Catton Grove currently has a capital budget spend of £9,000 expected in 2021/22 for upgrading the building's electrical system and EPC works. All other buildings have an EPC rating of E which is suitable for current legislation and have no expected significant capital works forthcoming
13. As these buildings are all on a peppercorn rolling licence agreement there is no transfer or loss of income. It is planned to move all community centres to robust licences in 2022/23 but there is no financial implication to this.
14. There will be no change in the NPSN management of the buildings (subject to the service coming in-house 2022/23).

15. There will be no change to the support given to licensees by council officers which currently offer this support now in order not to increase work for housing officers. This will be recharged proportionately.

Legal

16. The transfer is permitted by section 122(1) of the Local Government Act 1972. This states that councils 'may appropriate for any purpose for which the council are authorised by this or any other enactment to acquire land by agreement any land which belongs to the council and is no longer required for the purpose for which it is held immediately before the appropriation' but subject to the rights of other persons in or over the land.
17. Further, section 19(1) of the Housing Act 1985 specifically deals with the provision of housing accommodation – 'a local housing authority may appropriate for the purposes of this Part any land for the time being vested in them or at their disposal; and the authority have the same powers in relation to land so appropriated as they have in relation to land acquired by them for the purposes of this Part'.
18. Section 19(1) of the Housing Act does not however apply to properties which are already used partly or wholly for housing, including yards, gardens or outhouses. If this is the case, the consent of the Secretary of State to the disposal will be required.
19. Change of land and asset ownership will be required on the fixed asset register.

Statutory Considerations

Consideration:	Details of any implications and proposed measures to address:
Equality and Diversity	As there is no change to the function of the assets or risk to service delivery, there is no implication under Equality and Diversity.
Health, Social and Economic Impact	There is no anticipated impact.
Crime and Disorder	There is no anticipated impact.
Children and Adults Safeguarding	There is no anticipated impact.
Environmental Impact	There is no anticipated impact.

Risk Management

Risk	Consequence	Controls Required
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HRA funding is not available to maintain the buildings	Should there be competing demands on the HRA capital or revenue programmes, the assets may fall into disrepair or become unusable.	Ensure with Finance that all appropriate budgets are available to make this transfer.
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Other Options Considered

20. An alternative option would be to continue to maintain assets which are meant for the predominant use of Housing tenants under the General Fund. Budgetary constraints mean this would be less preferable.

Reasons for the decision/recommendation

21. Due to financial constraints in the General Fund and the suitability of these properties to be considered HRA assets, the recommendation is made to ensure the sustainability of retaining these assets.

Tracking Information

Governance Check	Date Considered
Relevant Finance Officer	S Flaxman 20/07/2021
Chief Finance Officer (or Deputy)	H. Simpson 25/08/21
Monitoring Officer (or Deputy)	L Mickleborough 24/8/21
Relevant Executive Director	Louise Rawsthorne 21/08/21

Background papers:

Appendices: Asset information including proximity to Housing land and local usage figures

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Community centre HRA transfer key information - appendix

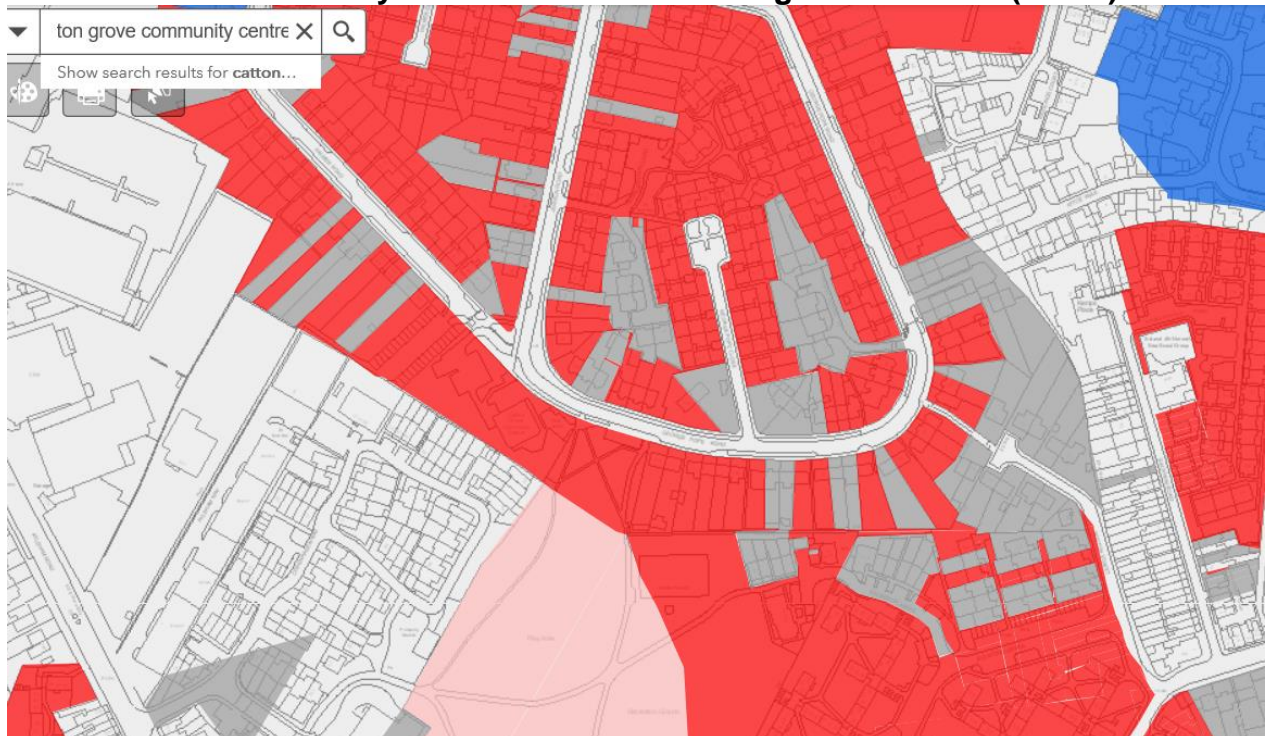
Key information from footfall and social value surveys:

Centre	Catton Grove Community Centre	Jubilee Community Centre	Greenfields Community Centre	Frere Road Community Centre	Pilling Park Community Centre	Community centre averages
Households within 1 mile	5,626	2,728	2,169	2,728	2,134	3,347
% of visitors who are residents within 0.5 miles of the centre	51%	30%	46%	30%	63%	37%
% of visitors who are residents within 1 miles of the centre	70%	46%	64%	36%	76%	54%
% users who come from lowest quartile of household income (Q1)	58%	56%	19.4%	56%	42.5%	32.8%
% users from household in lowest quartile for deprivation (Q1 based on Norwich only)	68.6%	24%	18.6%	24%	41.9%	32.8%
Average annual NCC £ spend (based on seven-year average)	£7,880	£13,622	£8,456	£7,866	£7,630	£10,428

Catton Grove Community Centre: HRA properties locally



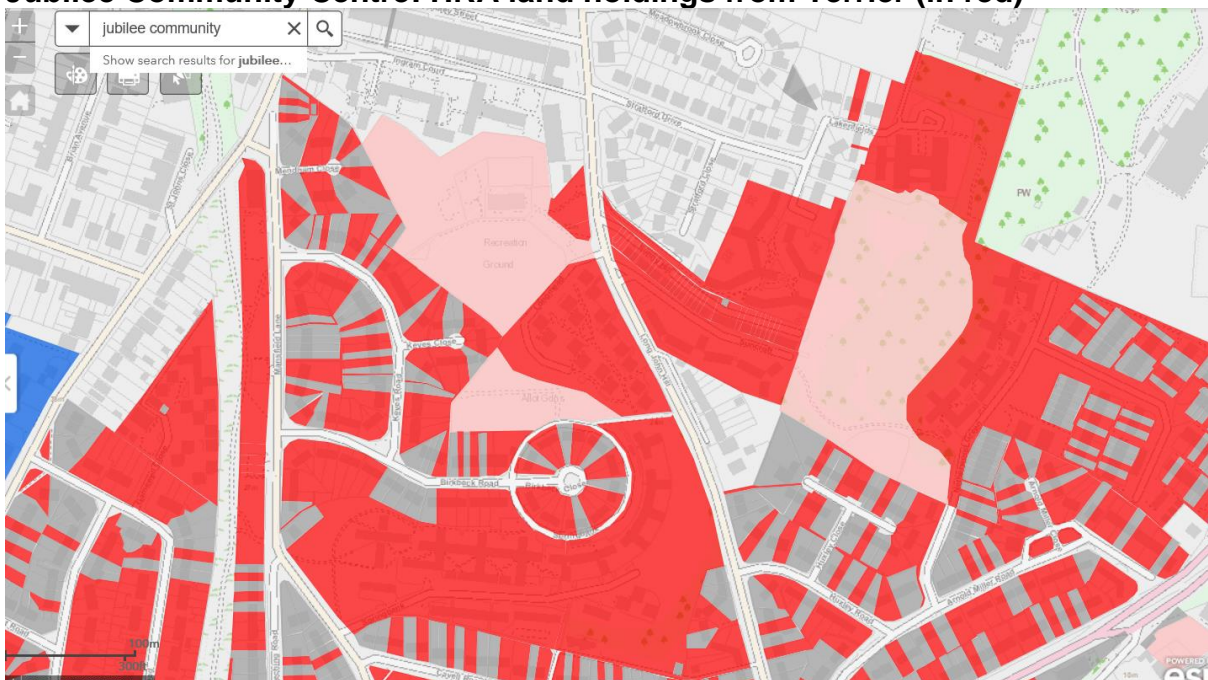
Catton Grove Community Centre: HRA land holdings from Terrier (in red)



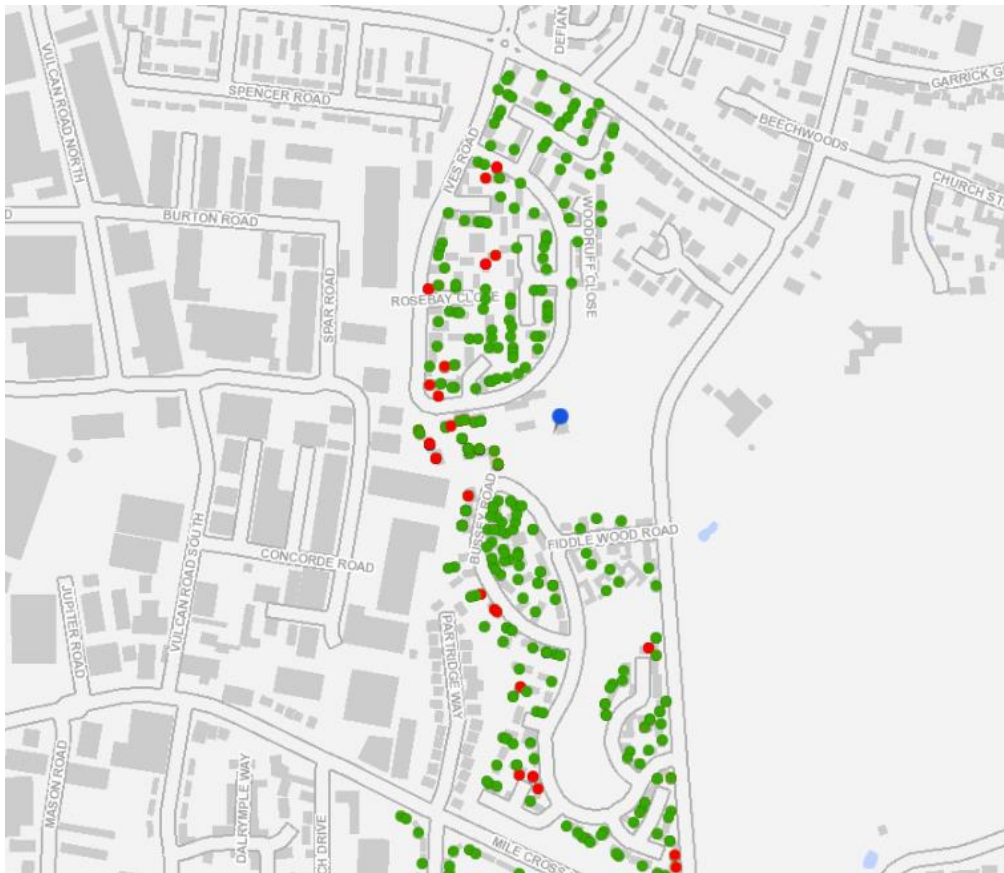
Jubilee Community Centre: HRA properties locally



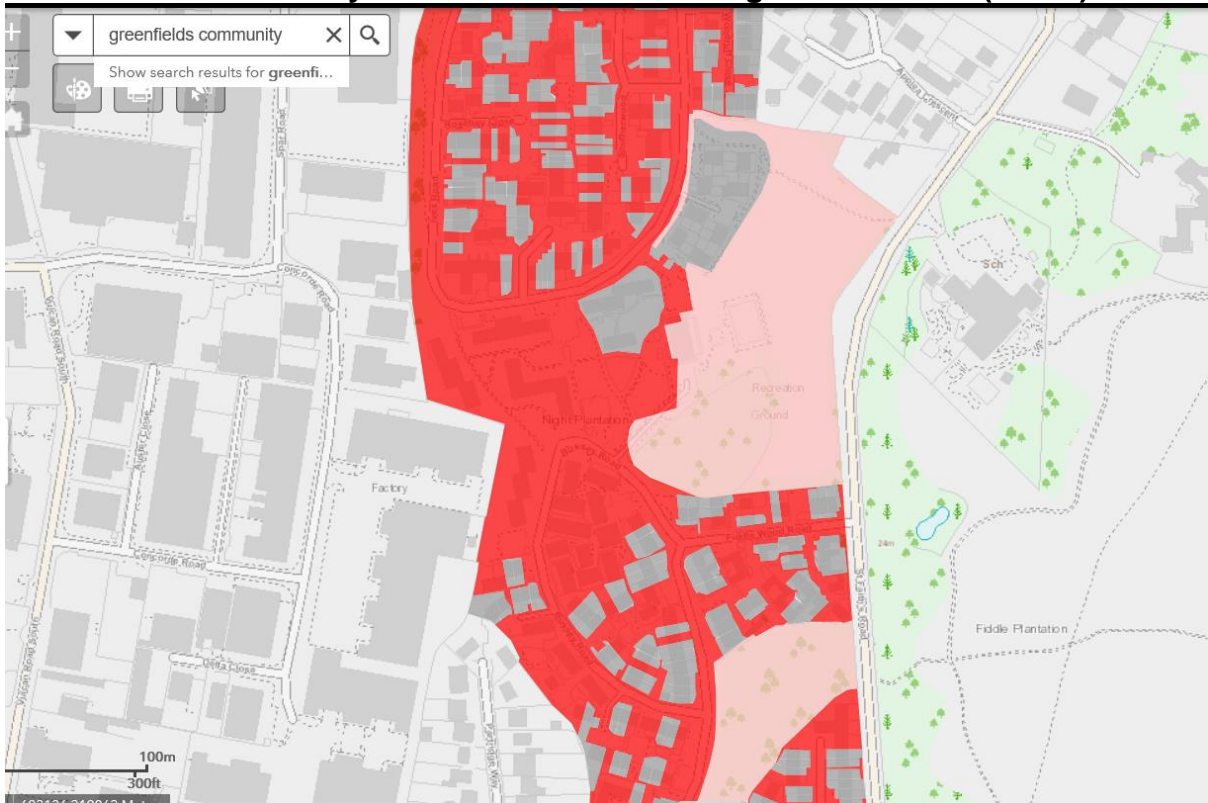
Jubilee Community Centre: HRA land holdings from Terrier (in red)



Greenfields Community Centre: HRA properties locally



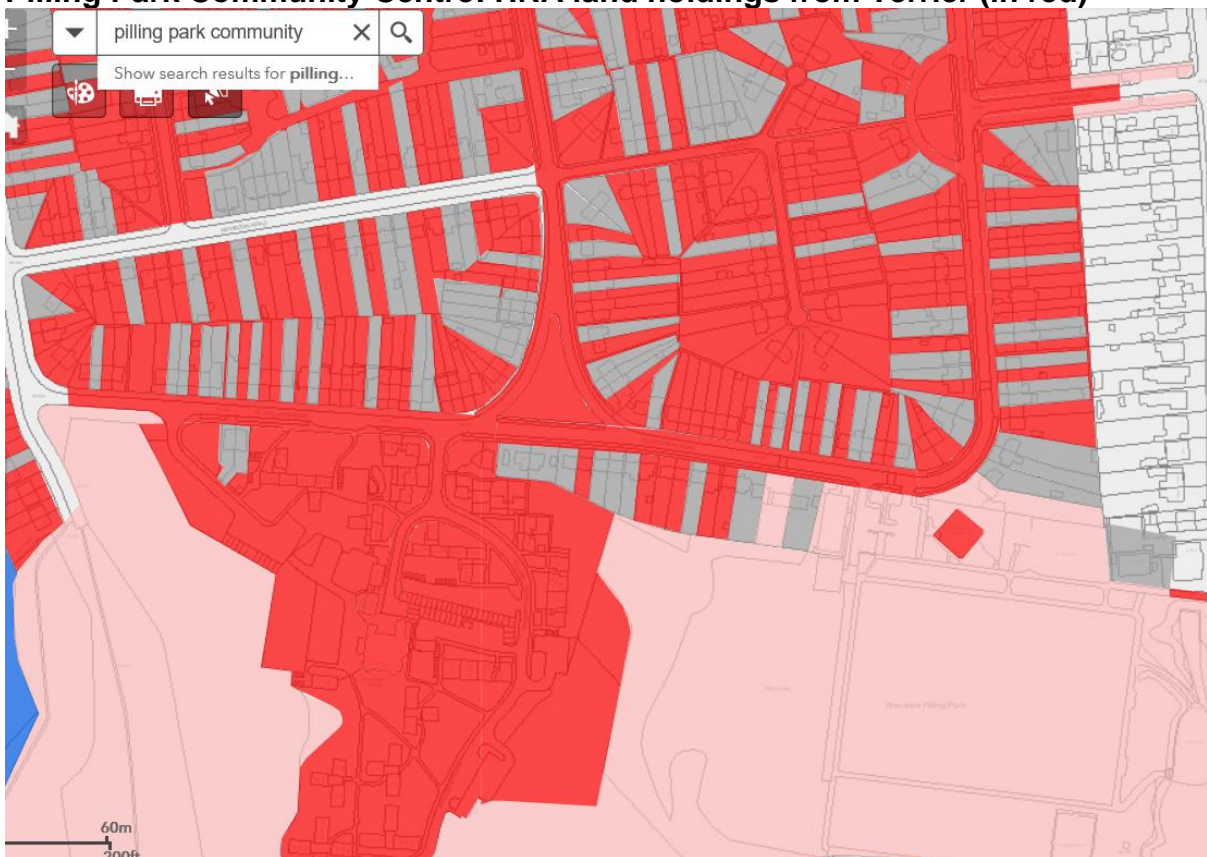
Greenfields Community Centre: HRA land holdings from Terrier (in red)



Pilling Park Community Centre: HRA properties locally



Pilling Park Community Centre: HRA land holdings from Terrier (in red)



Frere Road Community Centre: HRA properties locally



Frere Road Community Centre: HRA land holdings from Terrier (in red)

