

**27 March 2015**

**Asset & Enterprise Committee**

**2,4 & 6/8 Harewood Road**

**Report of:** *John R Parling, Strategic Asset Manager*

**Wards Affected:** *Pilgrims Hatch*

**This report is:** *Public*

**1. Executive Summary**

- 1.1 This asset comprises a small parade of neighbourhood retail units which are let to the Co-Operative Society with The Bhaji (Indian Take-Away) and one vacant unit. A location plan is contained within Appendix A.
- 1.2 Details of the accommodation are set out in Appendix B.
- 1.3 The asset is currently within the Housing Revenue Account, and all income received is retained by HRA for the support of Social Housing.
- 1.4 This report seeks the approval of the Committee to appropriate the asset from Housing HRA for General Fund purposes to revenue stream to support the provision of services to residents. The accounts will be adjusted to show a capital receipt to HRA and debit the General Fund. The HRA receipt will be used to assist with the provision of affordable residential units on already identified locations.
- 1.5 Appropriation is the statutory power to transfer from one land holding power to another. There is a general power in Section 122 Local Government Act 1972 which applies in this case.

## **2. Recommendation(s)**

- 2.1 That pursuant to Section 122 Local Government Act 1972 the land at 2,4 and 6/8 Harewood Road shown on the plan at Appendix A be appropriated from the Housing Act 1985 Part II to the Local Government Act 1972 Part VII;**
- 2.2 That an adjustment of the accounts be made at the value as determined by an independent Chartered Surveyor to be appointed jointly by the Head of Housing and the Strategic Asset Manager.**

## **3. Introduction and Background**

- 3.1 The Asset Management Strategy sets out as one its key objectives the acquisition of revenue generation assets. The transfer of this asset to the General Fund is consistent with this objective.

## **4. Issue, Options and Analysis of Options**

- 4.1 Recently the outstanding rent review with the tenant of 6/8 Harewood was agreed and the matter has now been documented and arrears recovered.
- 4.2 The rent review which is outstanding with the tenant of 4 Harewood has been auctioned and it is expected that this will be agreed and the settlement reflected in the independent valuation.
- 4.3 The unit at 2 Harewood Road was recently recovered from a tenant where the lease had expired and they had ceased trading. The unit has been marketed and this has created significant interest and it is expected that a letting will be agreed and documented shortly. The value of this void/letting will be reflected in the independent valuation.
- 4.4 The transfer will be subject to satisfactory, title, building condition survey and independent valuation.

## **5. Reasons for Recommendation**

- 5.1 To provide the General Fund with a revenue generating asset in accordance with the key objectives of the adopted Asset Management Plan and also to provide the Housing Revenue Account with a capital receipt to assist in the delivery of new affordable residential units on Council owned sites.

## **6. Consultation**

6.1 None

## **7. References to Corporate Plan**

The key criteria for the transfer of the freehold to the site are linked directly to the Corporate Plan 2013-16, specifically:

- a) A Prosperous Borough.
- b) Set planning policy that supports discerning economic growth and sustainable development.
- c) Promote a mixed economic base across the Borough, maximizing opportunities in the town centers for retail and a balanced night-time economy.

## **8. Implications**

### **Financial Implications**

**Name & Title:** Christopher Leslie, Finance Officer (S151 Officer)

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8.1 The purchase of the property by the General Fund will be financed by capital borrowing. Associated borrowing will be financial appraisal, which will be carried out once the independent valuation is carried out.

## **9. Legal Implications**

**Name & Title:** Philip Cunliffe-Jones, Solicitor

**Tel & Email:** 01277 312703 /philip.cunliffe-jones@brentwood.gov.uk

The recommendation entails the exercise of the statutory power of appropriation under Section 122 Local Government Act 1972. This applies to Housing Assets which do not involve a house used for residential accommodation. After the accounts have been adjusted as certified by a Chartered Surveyor, a certified copy of the resolution and plan with the valuation certificate should be placed in the deed packet as a document of title.

**10. Other Implications** (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

## **11. Background Papers**

None

**12. Appendices to this report**

Appendix A – Location Plan

Appendix B – Property Details (*Exempt*)

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