

**ANGUS COUNCIL**

**COMMUNITIES COMMITTEE – 17 JANUARY 2017**

**APPROPRIATION OF SURPLUS PROPERTY, FORMER DAMACRE COMMUNITY CENTRE,  
BRECHIN**

**REPORT BY HEAD OF TECHNICAL AND PROPERTY SERVICES**

**ABSTRACT**

The former Damacre Community Centre, Brechin is surplus to requirements of Angus Council and it is proposed to appropriate it to HRA for delivery of affordable housing.

**1. RECOMMENDATION**

It is recommended that the Committee approves that the former Damacre Community Centre, Brechin shown outlined on the plan at **Appendix 1**, is declared surplus to Angus Council's requirements and appropriated from Community Planning to the Housing Revenue Account for delivery of affordable housing on the basis of Report No 509/13, **Policy For The Appropriation of Surplus General Fund Assets to The Housing Revenue Account For Affordable Housing, subject to Scottish Ministers' consent.**

**2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/COPORATE PLAN**

This report contributes to the following local outcomes contained within the Angus Community Plan and Single Outcome Agreement 2013-2016:

- Angus is a good place to live in, work in and visit
- Individuals are supported in their own communities with good quality services

**3. BACKGROUND**

The former Damacre Community Centre, Brechin was closed in early 2016 following the opening of Brechin Community Campus.

**4. CURRENT POSITION**

The availability of the site has been circulated to all Directorates of the Council with an interest being expressed from the Housing Division for the provision of affordable housing. This gives an opportunity for the first council constructed social housing in Brechin in this century contributing to the council priorities above.

**5. PROPOSALS**

It is proposed that the former Damacre Community Centre, Brechin is declared surplus and appropriated to the Housing Revenue Account on the basis of a value established in line with Report No 509/13, **Policy For The Appropriation of Surplus General Fund Assets to The Housing Revenue Account For Affordable Housing**, subject to Scottish Ministers' consent. This will enable the site to be developed as affordable housing.

Taking account of the cost of development and demolition of the existing site etc, the resultant appropriation value is £0 (Nil).

## **6. FINANCIAL IMPLICATIONS**

Designs and costings for the proposed affordable housing development have now been completed, allowing a residual value for the site to be calculated in line with the **Policy For The Appropriation of Surplus General Fund Assets to The Housing Revenue Account For Affordable Housing**. The resultant residual value for the property for affordable housing is a negative value and the resultant figure is £0 (Nil).

**NOTE:** No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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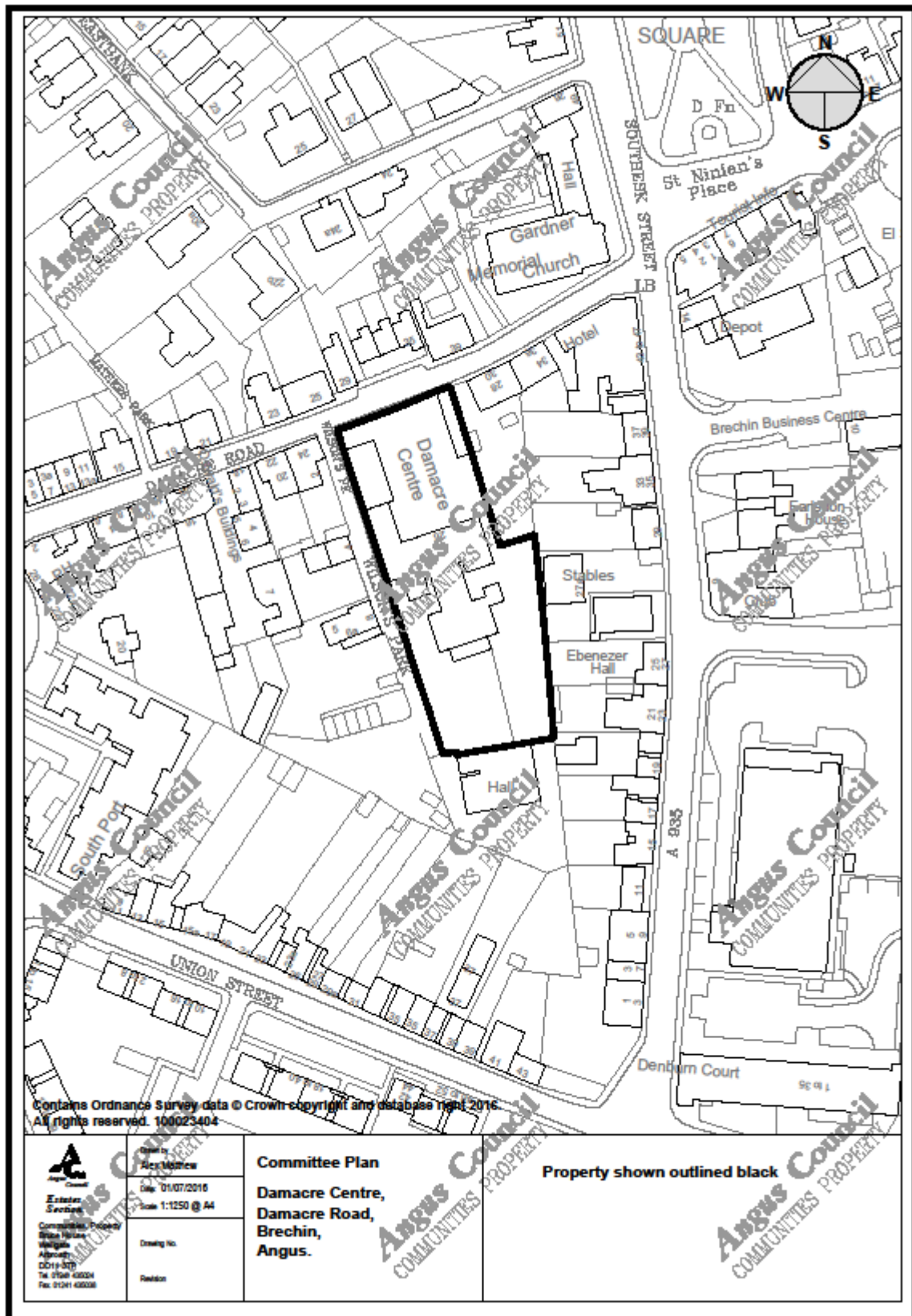
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List of Appendices:

**Appendix 1 Plan of the Former Damacre Community Centre, Brechin**

**Appendix 2 Appraisal Criteria**

Appendix 1 Plan of the Former Damacre Community Centre, Brechin



## Appendix 2 – Appraisal Criteria

1. A plan of the property is contained at Appendix 1.
2. The site is owned by Angus Council with no restrictions to its future use.
3. The Open market value of the property has been assessed at £100,000
4. There are to be no restrictions placed on the Housing Revenue Account in respect of the development of the site.
5. Ten Council houses for rent will be built on the site and remain on the HRA in perpetuity.
6. A discounted Cash Flow exercise has been carried out to determine the value of the site for affordable housing taking account of the high development costs and demolition cost. The resultant residual land value for the proposed development is negative.
7. The site was identified as surplus in Report No 480/15, Transforming Angus: Agile Working and Estates Review. The site is included in the Housing Division's new supply programme and financial plan, and also included in the Strategic Delivery Plan submitted to the Scottish Government as part of the Affordable Housing Supply Programme.
8. In terms of Regulation 4(2) the appropriation to the HRA (rather than sale on the open market) is justified because:
  - i. The Council's SHIP 2017-22 projects that around 400 units could be delivered over the lifetime to the Plan to alleviate the shortage of affordable housing across Angus. A crucial element in helping to deliver this target is having access to land in the appropriate location, where development costs are affordable and achievable. The Council will work with partners to ensure good, quality affordable housing is delivered on such sites.
  - ii. Under this proposal the Housing Division intend to build 10 new two and three bedroom Council houses which would be available to existing council tenants in accordance with the Council's allocation policy for new supply houses.