

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 17 NOVEMBER 2015

PROPOSED APPROPRIATION OF GROUND FORMING PART OF THE FORMER RESOURCE CENTRE, EASTGATE, FRIOCKHEIM

REPORT BY HEAD OF TECHNICAL & PROPERTY SERVICES

ABSTRACT

This report advises the Committee that the ground extending to 1853 sqm or thereby, forming part of the Former Teachers Resource Centre, Eastgate, Friockheim is vacant, and surplus to Angus Council's requirements. It is proposed to appropriate part of the site to the Housing Revenue Account for the provision of Affordable Housing.

1. RECOMMENDATIONS

It is recommended that the Committee:

- (i) notes that the ground extending to 1853 sqm or thereby, forming part of the Former Teachers Resource Centre, Eastgate, Friockheim is surplus to the requirements of the People Directorate;
- (ii) notes that the Housing Division of the Communities Directorate has expressed an interest in the building for residential use for the provision of affordable housing; and
- (iii) approves the appropriation of the ground extending to 1853 sqm thereby forming part of the Former Teachers Resource Centre, Eastgate, Friockheim from the People Directorate to the Housing Revenue Account, subject to the approval of the Scottish Ministers, 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.

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. CURRENT POSITION

The ground extending to 1853 sqm or thereby, forming part of the Former Teachers Resource Centre, Eastgate, Friockheim as shown outlined black on the plan at **Appendix 1**, is vacant and officers have assessed that it is suitable for residential use as barrier free affordable housing.

The remaining part shown hatched extending to 2245 sqm or thereby at **Appendix 2** is to be retained as it is currently leased to Friockheim Community Hub Ltd who are seeking to acquire it as a Community Asset Transfer. They have not identified any requirement for the ground outlined in black and therefore it is considered that disposal to the Community Planning Partner is not appropriate and that an appropriation to the Housing Revenue Account is the most appropriate way forward.

In terms of the Housing (Scotland) Act 1987, Scottish Ministers approval is required to transfer assets from the General Fund to the Housing Revenue Account. Consent to transfer the ground extending to 1853 sqm thereby forming part of the Former Teachers Resource Centre, Eastgate, Friockheim to the Housing Revenue Account will be sought from the Scottish Ministers prior to the appropriation being completed.

In accordance with the criteria outlined in Report No. 509/13, an appraisal has been undertaken for the ground extending to 1853 sqm or thereby, forming part of the Former Teachers Resource Centre, Eastgate, Friockheim.

4. PROPOSALS

It is proposed that ground extending to 1853 sqm or thereby, forming part of the Former Teachers Resource Centre, Eastgate, Friockheim be redeveloped as affordable housing with the ground being 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, approved by Angus Council on 12 September 2013 (article 13 refers). Taking account of the cost of new affordable barrier free housing which meets the Scottish Housing Quality Standard the resultant appropriation value is £20,000 which will be a capital receipt to the general fund.

5. FINANCIAL IMPLICATIONS

Using previous costings and designs a residual value for the property has been 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 £20,000 (TWENTY THOUSAND POUNDS).

6. PROPERTY IMPLICATIONS

The ground extending to 1853 sqm or thereby, forming part of the Former Teachers Resource Centre, Eastgate, Friockheim will be developed to provide new affordable housing.

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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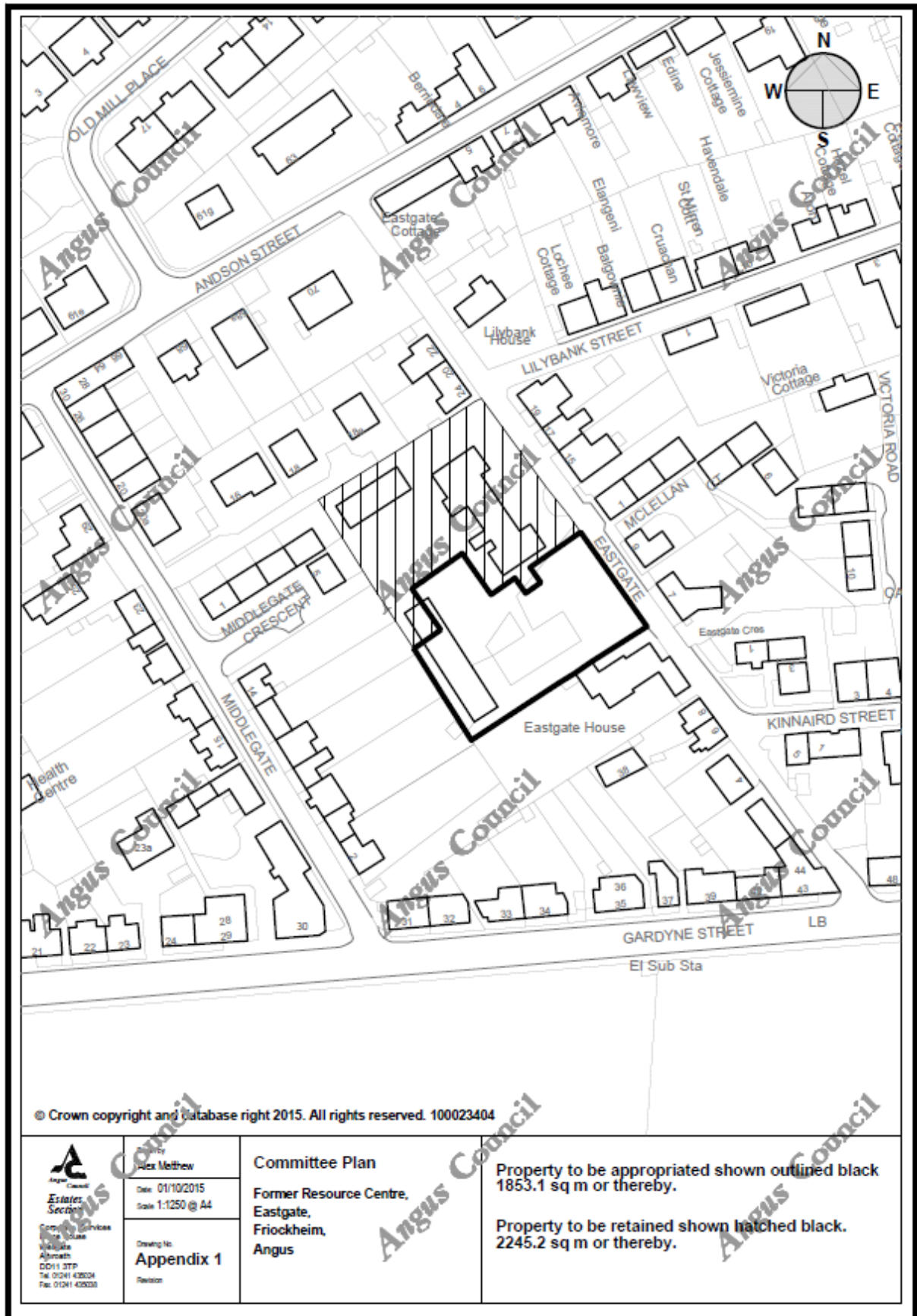
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List of Appendices:

Appendix 1 – Plans of ground extending to 1853 sqm thereby forming part of the Former Teachers Resource Centre, Eastgate, Friockheim

Appendix 2 – Appraisal criteria

Appendix 1 – Plans of ground extending to 1853 sqm thereby forming part of the Former Teachers Resource Centre, Eastgate, Frioekheim



Appendix 2 – Appraisal criteria

1. A plan of the site is contained at **Appendix 1**. The site lies adjacent to the Former Teachers Resource Centre and is located centrally in Friockheim.
2. The site is owned by Angus Council with no restrictions to its future use.
3. The whole site had previously been marketed at £200,000 by J & E Shepherd in 2013. The marketing value was based on the current market demand for a building with grounds which could be developed to provide residential accommodation. The property was subsequently identified as suitable for Community Asset Transfer and an approach was received from the FriockHub local community group. As they did not require the whole site a portion was identified for affordable housing and the value of the land was determined in accordance with the policy contained in Report No 509/13.
4. There are to be no restrictions placed on the Housing Revenue Account in respect of the development of the site.
5. 3 affordable council houses for rent can be built on the site to remain on the Housing Revenue Account in perpetuity.
6. A discounted Cash Flow exercise has been carried out to determine the value of the site (excluding the Former Teachers Resource Centre) for affordable housing taking account of development costs. The resultant land value for the proposed development is £20,000.
7. The site is included in the Housing Division's new supply programme and financial plan, and also included in the Strategic Local Programme approved by the Scottish Government as part of the Strategic Housing Investment Plan.
8. In terms of Regulation 4(2) the appropriation to the HRA (rather than sale on the open market) is justified because:
 - i. The Housing Division have a new-build council house programme intended to alleviate the shortage of affordable housing across Angus in response to the Housing Need and Demand Assessment. This identified a need for up to 331 additional affordable housing units per year. 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.
 - ii. Under this proposal the Housing Division intend to use the site to build 3 new affordable houses (2 x 1 bedrooms and 1 x 2 bedroom) which would be available to existing tenants on the common housing register in accordance with the common allocation policy for new supply houses. This will give people the opportunity to move to properties which best meet their current and future household needs.