

AGENDA ITEM NO 7

REPORT NO 98/15

ANGUS COUNCIL

COMMUNITIES COMMITTEE – 3 MARCH 2015

PROPOSED APPROPRIATION OF SITE ADJACENT TO ROSEHILL ADULT RESOURCE CENTRE, FORTIES ROAD, MONTROSE

REPORT BY THE HEAD OF TECHNICAL AND PROPERTY SERVICES

ABSTRACT

This report advises the Committee of the proposal to appropriate a site adjacent to Rosehill Adult Resource Centre, Forties Road, Montrose to the Housing Revenue account for the provision of affordable housing.

1. RECOMMENDATION

- 1.1 The Committee is recommended to approve the appropriation of the site adjacent to the Rosehill Resource Centre, Forties Road, Montrose from the People Directorate - Social Work and Health Account to the Housing Revenue Account 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

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

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

3. BACKGROUND

- 3.1 The site adjacent to the Rosehill Adult Resources Centre, Forties Road, Montrose as shown on the attached plan at Appendix 1, and measuring 0.38 Ha or thereby was declared surplus to Angus Council's requirements by the Corporate Services Committee on 28 November 2013.

4. CURRENT POSITION

- 4.1 The Head of Technical and Property Services has carried out a Strategic Assessment to determine the most appropriate disposal route for the property in accordance with financial Regulations Section 17.
- 4.2 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.

5. PROPOSALS

- 5.1 It is proposed that the site adjacent to the Rosehill Adult Resource Centre be redeveloped as affordable housing and with the site 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.** Taking account of the cost of development and demolition etc, the resultant appropriation value is £113,000 (One Hundred and Thirteen Thousand Pounds)

6. FINANCIAL IMPLICATIONS

- 6.1 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 £113,000.
- 6.2 Appropriation of the property to the HRA will therefore result in a capital receipt for the General fund of £113,000.

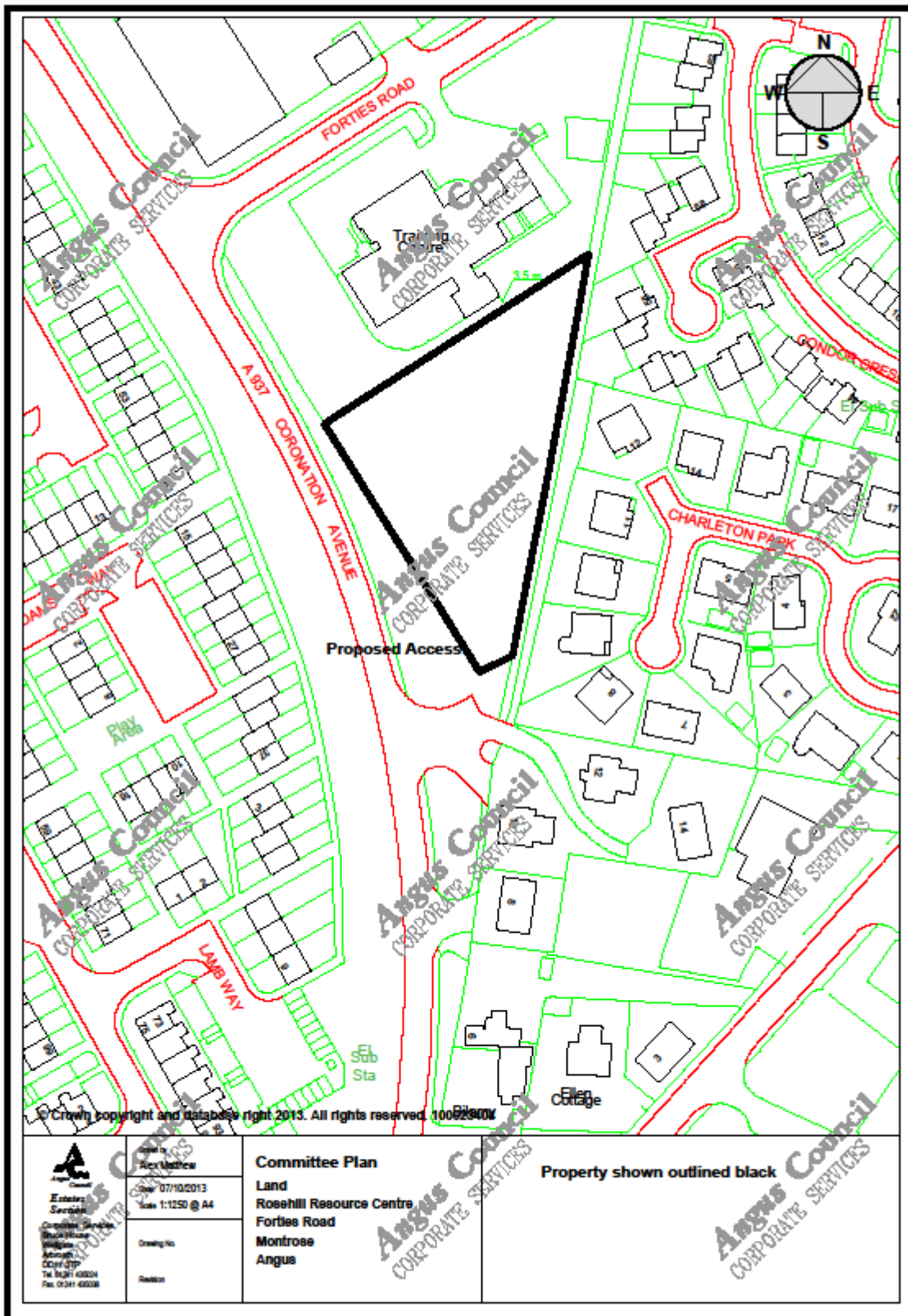
NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

Appendix 1 Plan Indicating Site Adjacent to Rosehill Adult Resource Centre, Forties Road, Montrose

Appendix 2 Appraisal Criteria

REPORT AUTHOR: Ian Cochrane, Head of Technical and Property Services
EMAIL DETAILS: CommunitiesBusinessSupport@angus.gov.uk

Appendix 1 Plan Indicating Site Adjacent to Rosehill Adult Resource Centre, Forties Road, Montrose



Appendix 2 – Appraisal Criteria

1. A plan of the site is contained at Appendix 1. The site lies adjacent to the Rosehill Adult Resource Centre and has never been developed. The site is located at the North end of Montrose in an area of mixed use.
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 £164,000 which is based on new housing supply statistics collated by the Scottish Government which suggests that private sector new build starts and completions in Angus remains at a low ebb, mainly as a result of rising building costs, declining profit margins and a slow housing market
4. There are to be no restrictions placed on the Housing Revenue Account in respect of the development of the site.
5. Up to 12 affordable houses for rent can be built on the site to remain 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 development costs. The resultant land value for the proposed development is £113,000.
7. 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 Housing Need and Demand. 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 up to 12 new affordable houses would be available to existing tenants on the common housing register in accordance with the common allocation policy.