

## ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

1.	<b>Meeting:</b>	<b>Cabinet</b>
2.	<b>Date:</b>	<b>4<sup>th</sup> February 2015</b>
3.	<b>Title:</b>	<b>1 Shaftesbury Square, St Ann's Ward 2 Boston Castle</b>
4.	<b>Directorate:</b>	<b>Environment and Development Services</b>

### 5. Summary

This report requests approval to transfer / appropriate 1 Shaftesbury Square from the General Fund into the Housing Revenue Account (HRA), in accordance with Paragraph 175 of the Council's Financial Regulations.

### 6. Recommendations

That:-

- (1) An appropriation of 1 Shaftesbury Square from the General Fund to the Housing Revenue Account is approved, as detailed in the report.**
- (2) The Director of Legal and Democratic Services completes the necessary documentation.**
- (3) The Director of Finance amends the Council's asset register and financial records.**

## **7. Proposals and Details**

1 Shaftesbury Square is a vacant disabled person's respite unit, which is currently administered by the Adult Services directorate, within the General Fund portfolio.

The property consists of a three bedroom bungalow within a community of ten bungalows formerly supported by Grafton House, as identified in Appendix 1.

All other bungalows in the complex are HRA properties with the exception of this unit which was appropriated to Adult Services in 1992. However, the Director of Adult Social Services has now advised that they no longer require it for this purpose.

Accordingly, this report seeks approval to appropriate the property back into the HRA to enable it to be let within the general housing portfolio.

### Allocation of the bungalows

Two of the bungalows are currently vacant and we need to allocate these properties as soon as possible in order to avoid further rental loss, and to help people who are in desperate need of this type of accommodation.

Historically they have been let to single people and couples (current tenants ranging in age from 35 to 77), who have received a care / support package from Grafton House. Now that the Grafton House service has ended we need to take a different approach and ensure we are making the best use of our housing stock.

The bungalows are all spacious three bedroom units and fully wheelchair accessible. There is a shortage of this type of accommodation across Rotherham and there are currently at least ten families in the borough (with either disabled children or adults) living in unsuitable homes, often in extremely difficult circumstances, for whom these bungalows would be ideal.

We are therefore looking to allocate the two empty bungalows (which includes number 1, the subject of this report) to families with a disabled child(ren) or adult who are currently living in unsuitable homes.

(To allocate them to a single person or couple would result in the large three bedroom properties being under-occupied and possibly the residents would be subject to bedroom tax).

It will be important that we communicate clearly with the residents of the occupied bungalows and of neighbouring Shaftesbury House, so we can explain the reasons for allocating the empty bungalows to families.

## **8. Finance**

The estimated rental income for the property is £93.51 per week, totalling approximately £4,500 per annum.

As at 31<sup>st</sup> March 2014, the Net Book value of the land was £12,000 and the building £95,680. The property will be transferred across to the HRA at fair value, so an assessment will need to be made as to whether its current net book value represents

the fair value of the asset. This appropriation will lead to an increase in the HRA Capital Financing Requirement (CFR) and an equivalent reduction in the General Fund CFR, in line with the asset's fair value. The asset will then be re-categorised as housing stock. This will lead to a revaluation on the basis of Existing Use Value - Social Housing, leading to a loss in value. This Revaluation Loss has no impact on the HRA. However, the increase in the HRA CFR will reduce the amount of the HRA borrowing headroom and lead to a small increase in the capital financing charges to the HRA.

## **9. Risks and Uncertainties**

If the property is not appropriated then it may remain empty until it is sold / an alternative use is agreed.

## **10. Policy and Performance Agenda Implications**

The proposals support the following 'Plan on a page' corporate priorities and achievements:

- Ensuring care and protection is available to those that need it the most
  - People in need of care and support have more choice and control to help them live at home
- Helping to create safe and healthy communities
  - People feel safe and happy where they live
  - People from different backgrounds get on well together

## **11. Background Papers and Consultation**

Councillors Hussain, McNeely and Wootton have been consulted on the allocation of the bungalows and a letter will be sent to the residents of neighbouring Shaftesbury House to ensure the changes are communicated clearly.

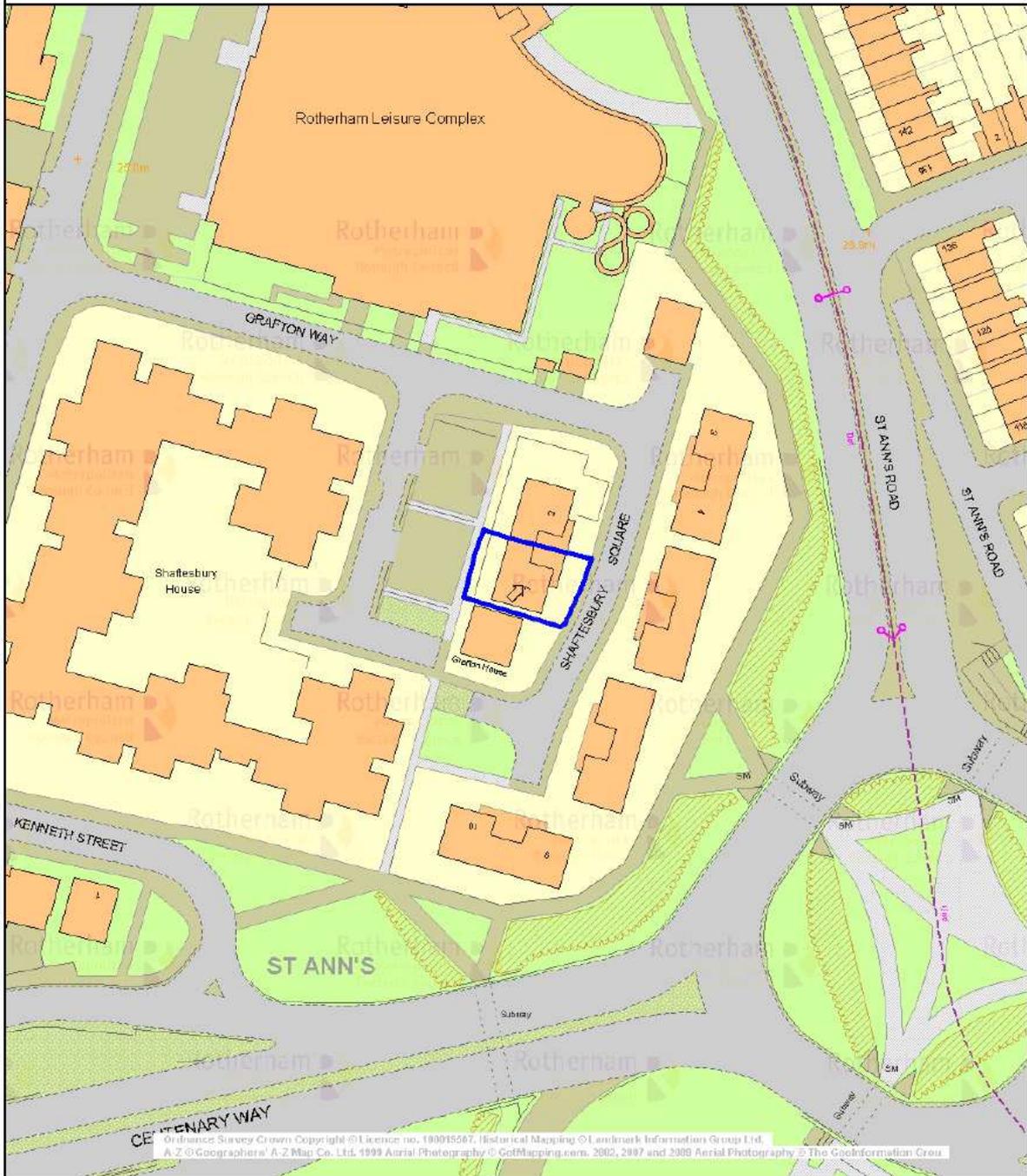
### **Contact Name:**

Lynsey Mould, Housing Services Officer  
01709 334950 / [lynsey.mould@rotherham.gov.uk](mailto:lynsey.mould@rotherham.gov.uk)

Jane Davies-Haire, Strategic Housing Manager  
01709 334970 / 07500102498 / [jane.davies-haire@rotherham.gov.uk](mailto:jane.davies-haire@rotherham.gov.uk)

# Appendix 1- Location Plan

## 1 Shaftesbury Square



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