

EAST RENFREWSHIRE COUNCILCABINET22 June 2017Report by Director of EnvironmentTRANSFER OF THE LAND AT ROBERTSON STREET FROM GENERAL FUND TO  
HOUSING REVENUE ACCOUNT**PURPOSE OF REPORT**

1. The purpose of this report is to seek Cabinet approval to transfer the land at Robertson Street from the General Fund (GF) to the Housing Revenue Account (HRA) at nil cost, for the purpose of building 13 properties for rent by East Renfrewshire Council. Cabinet approval is also sought for the future use of the land to be restricted for social housing only.

**RECOMMENDATIONS**

2. The Cabinet is asked to approve:
- (a) the transfer of the land at Robertson Street from the General Fund (GF) to the Housing Revenue Account (HRA) at nil cost, for the purpose of building 13 properties for rent by East Renfrewshire Council; and
  - (b) that the future use of the land at Robertson Street is restricted in perpetuity to social rented housing.

**BACKGROUND AND REPORT**

3. Single Outcome Agreement number three sets out the Council's desire that East Renfrewshire is a thriving, attractive and sustainable place for businesses and residents. To help achieve this it is important that the Council ensures a supply of good quality and affordable housing opportunities are available to all.

4. In November 2016 the Council approved in principle and subject to consultation a proposal to build up to 120 new council houses over the next 3 to 5 years to be owned and managed by East Renfrewshire Council. The Cabinet also noted the intention to expand this proposal if it proved possible.

5. The proposal contained within this report will provide appropriate land to allow Council house building to proceed.

6. This site comprises land registered titles that were recently acquired by the Council for the purposes of the regeneration of this area of Barrhead. A copy of the title plan associated with this site is attached as Appendix 1 to this report. The area owned by the Council is outlined in black.

7. The Council acquired part of the site in 2010. The total transaction costs including purchase price, stamp duty and demolition were £300k. Following acquisition, agents acting on behalf of the Council and the owner of a bingo hall located on the adjacent site actively marketed the sites but received little interest.

8. The owner of the bingo hall then approached the Council offering to sell the bingo hall for £140k, some £25k less than the District Valuer's valuation. In September 2014 the Council agreed to acquire the property recognising that the site's redevelopment was essential to the regeneration of Barrhead Town Centre.

9. Site assembly costs were partially funded by grants from the Town Centre Regeneration Fund (£215K) and funding from the Council's General Fund.

10. The Councils hoardings advertising the site as a development opportunity were erected in March 2016. The advertising generated two initial enquiries, neither of which culminated in any concrete interest and there has since been no further interest from the private sector.

11. It is apparent following this unsuccessful marketing exercise that there is no interest from the private sector on developing the site. It was therefore included within the Strategic Housing Investment Plan (SHIP) as a potential site for Council socially rented housing.

## **FINANCE AND EFFICIENCY**

12. Scottish Government guidance in relation to transfers of assets between the HRA and GF (published March 2016) notes that councils have the discretion to deal with them as they deem appropriate.

13. In determining whether a transfer should take place and whether the transfer should be at a cost it is necessary to take into account "best value".

14. Best value does not automatically equate with market value. The guidance notes that "On some occasions the market value test would not be met, however, the Council will determine that the transaction does in fact represent "best value" as the supply of social housing in the area is increased" (paragraph 19).

15. In such a case it is necessary for the Council to demonstrate:

- That disposal of the site fits with the council's strategic housing context (i.e. that a below market value disposal can be justified)
- The site value and anticipated disposal value
- That appropriate consultation has taken place (paragraph 20)

16. The Council is of the view that these criteria have been met and furthermore no capital receipt has been assumed for this land in the Council's Capital Programme.

17. On 2 September 2016, the District Valuer stated the value of the land, subject to the assumption that the future use is restricted in perpetuity to social rented housing, to be £22,500.

18. As there is a substantial demand for social housing in the area, the transfer of the site from the General Fund to the Housing Revenue Account for the development of social housing should be at nil value.

## CONSULTATION

19. Housing Services formally wrote to all Tenants and Residents Associations to consult on the proposal to transfer the Robertson Street site from the General Fund to the Housing Revenue Account at nil value. There were no objections to this proposal and Auchenback Tenants and Residents Association formally supported the proposal.

## PARTNERSHIP WORKING

20. This paper has been produced in consultation with colleagues from Legal Services, Property and Technical Services, the Regeneration Team and Accountancy Services.

## IMPLICATIONS OF THE PROPOSAL

21. There are no staffing, equality or sustainability implications directly associated with this report. However transfer of this site to the HRA will result in the loss of an asset to the General Fund.

## CONCLUSIONS

22. By developing this site the Council will:

- Make best use of the site by providing a mix of family sized terraced homes and older person's amenity flats to address housing need and demand;
- Make a positive contribution to the streetscape of Cross Arthurlie Street; and
- Complement previous investment in the area and contribute to the regeneration of Barrhead town centre.

## RECOMMENDATIONS

23. The Cabinet is asked to approve:

- (a) the transfer of the land at Robertson Street from the General Fund (GF) to the Housing Revenue Account (HRA) at nil cost, for the purpose of building 13 properties for rent by East Renfrewshire Council; and
- (b) that the future use of the land at Robertson Street is restricted in perpetuity to social rented housing.

Director of Environment

Further information can be obtained from Philip Daws, Head of Environment (Strategic Services) 0141 577 3186 or [phil.daws@eastrenfrewshire.gov.uk](mailto:phil.daws@eastrenfrewshire.gov.uk)

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**Land at Robertson Street, Barhead**



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