

WELWYN HATFIELD BOROUGH COUNCIL
CABINET – 9TH JULY 2024
REPORT OF ASSISTANT DIRECTOR (REGENERATION AND ECONOMIC
DEVELOPMENT)

APPROPRIATION OF LAND

Executive Summary

- 1.1 Minster House was approved as part of the Affordable Housing Programme for provision of specialist, over sixties residential accommodation.
- 1.2 Part of the build construction required a new substation to supply the property. As it was not possible to site this on Housing Revenue Account (HRA) land, without otherwise compromising the number of units which could be delivered, a nearby plot of General Fund Land was identified as suitable for the siting of the substation and it is recommended that this should be appropriated to the HRA at Market Value.

2 Recommendation(s)

- 2.1 That Cabinet approves the appropriation of land, as shown in appendix 1, from the General Fund to the HRA at a value of £215k.

3 Explanation

- 3.1 The Affordable Housing development team has overseen the construction project and delivery of social housing for the over sixties at Minster House, Minster Close, Hatfield.
- 3.2 Minster House makes provision for a 91-unit scheme of residential accommodation for over sixties with provision of, a large communal garden, private amenity space, sunroom, reading room, hairdressers, parking spaces, EV chargers, car share scheme, with a kitchen and staff office.
- 3.3 Construction of the new, larger development required provision of a new substation to the site as the previous station was deemed insufficient.
- 3.4 It was not possible to locate the new substation on existing HRA land as this would have compromised the build and number of units able to be delivered to the site.
- 3.5 A nearby plot of General Fund land was identified as suitable for siting of the new substation and this requires formal appropriation between the two funds so that the site is held in the HRA as part of the development. The general fund land is no longer required for the purpose it was held.
- 3.6 The appropriation should take place at Market Value and his land has been valued by external valuers at £215k.

Implications

4 Legal Implication(s)

- 4.1 Subject to the provisions of the section, the council has power under section 122 Local Government Act 1972 to appropriate - for any purpose for which it has authority to acquire land by agreement, - land which is no longer required for the purpose for which it is held immediately before the appropriation.
- 4.2 As the relevant land is not land forming part of a common or land consisting of or forming part of an open space, there is no requirement for the council to advertise or to consult on the, proposed, appropriation.
- 4.3 Section 120 Local Government Act 1972 gives the council power to acquire land by agreement for the purposes of any of their functions. In addition, section 111 of the Act gives the council power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of the council's functions.
- 4.4 Appropriation at Market Value is in line with the council's obligations to ensure best value.

5 Financial Implication(s)

- 5.1 The council us under a duty to ensure it obtains best value when considering the appropriation of assets. An independent external valuation has been obtained to ensure that best value has been considered, and the site has been valued at £215k.
- 5.2 The appropriation will be undertaken in line with accounting guidance, which will be an increase to the capital financing requirement for the HRA and a reduction in the capital financing requirement for the General Fund.
- 5.3 The reduction to the capital financing requirement will be applied in line with the debt reduction strategy agreed as part of the budget for 2024/25, in turn, reducing ongoing capital financing costs on revenue.

6 Risk Management Implications

- 6.1 None assuming the recommendation is agreed. Failure to comply with the recommendation would leave the Council open to criticism for potentially subsidising an HRA asset using a General Fund asset.

7 Security and Terrorism Implication(s)

- 7.1 None directly from this report.

8 Procurement Implication(s)

- 8.1 None.

9 Climate Change Implication(s)

- 9.1 Siting of the substation near to Minster House was the most energy efficient means of providing the necessary power to the development.

10 Human Resources Implication(s)

10.1 None.

11 Health and Wellbeing Implication(s)

11.1 None.

12 Communication and Engagement Implication(s)

12.1 None.

13 Link to Corporate Priorities

13.1 The subject of this report is linked to the following Council's Corporate Priorities homes to be proud of, especially the objective to build new social and affordable homes.

14 Equality and Diversity

14.1 An Equality Impact Assessment (EqIA) was not completed because this report does not propose changes to existing service-related policies or the development of new service-related policies.

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Appendix 1 – Site Plan

HRA land is edged red and General Fund land is edged blue

