

Report title	Land at Tremont Street	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Jacqueline Sweetman City Assets and Housing	
Key decision	Yes	
In forward plan	Yes	
Wards affected	Heath Town	
Accountable Director	Mark Taylor, Deputy Chief Executive	
Originating service	Corporate Landlord, Assets	
Accountable employee	Luke Dove	Strategic Asset Manager, Assets
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Report to be/has been considered by	City Assets Leadership Team	26 August 2020
	Asset Management Board	12 October 2020

Recommendation for decision:

The Cabinet (Resources) Panel is recommended to:

1. Delegate authority to the Cabinet Member for City Assets and Housing in consultation with the Deputy Chief Executive to approve the appropriation of the Land at Tremont Street from the General Fund to the Housing Revenue Account (HRA) for housing development.

1.0 Purpose

- 1.1 To recommend that the asset known as Land at Tremont Street is appropriated from General Fund to HRA for housing development.

2.0 Background

- 2.1 The Land at Tremont Street is located in the Heath Town Ward and is the former site of the Duke of York Public House, following the demolition of which it has remained as a car park for several years.
- 2.2 In December 2017 outline planning was granted for this site and others across the Heath Town Ward for the development of up to 380 new homes as part of the Heath Town Regeneration proposals.
- 2.3 The site was previously considered for disposal to WV Living for development which was reviewed and WV Living subsequently withdrew their interest.
- 2.4 Following the withdrawal of interest from WV Living, the Council's Housing Development team requested that the asset was transferred to the HRA for the development of 66 two-bedroom apartments to be utilised for council housing as part of phase two and phase three of the regeneration proposal.
- 2.5 The site is currently being utilised by Wolverhampton Homes for the storage of materials and siting of welfare facilities whilst the refurbishment of three adjacent residential tower blocks is being undertaken. A Licence has been issued to Wolverhampton Homes for the occupation of this site. The licence can be terminated at short notice to allow for vacation as required to enable the future development of the asset.
- 2.6 If approved there will be no capital receipt to the General Fund due to the appropriation to the HRA. However, in accordance with accounting regulations an adjustment to each fund's Capital Financing Requirement equal to the market value, which is £290,000 will be made.

3.0 Options appraisal

- 3.1 The asset could alternatively be sold on the open market in return for a capital receipt, but this would be at the detriment of losing a vital asset within this part of the City that forms an integral part of the Heath Town Regeneration proposals.

4.0 Reasons for decision

- 4.1 The proposed appropriation provides a viable, robust and sustainable solution to ensure that the asset is efficiently utilised and will provide development of 66 new build apartments for Council housing use. This ensures that expanding housing demands are continuing to be supported throughout the City.

5.0 Financial implications

- 5.1 Should the recommendation for the appropriation of the asset from the General Fund to the HRA be approved, the resulting transfer means the General Fund is foregoing any possible capital receipt that could be achieved if the site was sold on the open market. Accounting regulations require that when an asset transfers between funds, an amount equal to the market value is subtracted from the Capital Financing Requirement of the fund losing the asset and added to the fund of that gaining the asset. This will increase the notional borrowing level of the HRA and reduce that of the General Fund by £290,000.
[SH/15092020/F]

6.0 Legal implications

- 6.1 The legal mechanism for the appropriation of land is governed by s122 Local Government Act 1972. This provides that the Council may “appropriate for any purpose for which the council is authorised by statute to acquire land by agreement any land which belongs to it and is no longer required for the purpose for which it is held immediately before the appropriation”.
- 6.2 The Council may not dispose of ‘open space’ under s122 without first advertising its intention to do so in the local press. There is no statutory definition of ‘open space’ and it is debatable whether it would apply to these circumstances. Officers will need to give this point due consideration.
- 6.3 Section 105 of the Housing Act 1985 requires the Council to maintain arrangements for consultations on matters of housing management. The Council has already undertaken extensive consultations in relation to the Heath Town redevelopment and no further consultations will be required.
[TS/21092020/R]

7.0 Equalities implications

- 7.1 There are no equalities implications arising from this report.

8.0 Climate change and environmental implications

- 8.1 There are no climate change or environmental implications arising from this report.

9.0 Human resources implications

- 9.1 There are no human resources implications arising from this report.

10.0 Corporate landlord implications

- 10.1 The appropriation of the Land at Tremont Street will result in the future management of the site including liability for all repairs, maintenance and running costs transferring to the HRA.

11.0 Health and Wellbeing implications

11.1 There are no health and wellbeing implications arising from this report.

12.0 Covid implications

12.1 There are no Covid implications arising from this report.

13.0 Schedule of background papers

13.1 None

14.0 Appendices

14.1 Appendix 1 – Land at Tremont Street Plan