

Report of	Meeting	Date
Assistant Chief Executive (Business Transformation)	Executive Member for Resources	28 March 2008

APPROPRIATION OF LAND & PROPERTY REMAINING IN THE HOUSING REVENUE ACCOUNT

PURPOSE OF REPORT

1. To seek approval to the appropriation of land & property remaining in the HRA, in order to enable its closure at the earliest possible time.

RECOMMENDATION(S)

2. That land at St Gregory's Place, Laurel Avenue, Cabbage Hall Fields, Crosse Hall Lane, the site of the former Douglas House, and various garages and garage sites be appropriated from the Housing Revenue Account to the General Fund, with effect from 1st April 2007 at the values reported herein.

EXECUTIVE SUMMARY OF REPORT

3. In order to close down the Housing Revenue Account following stock transfer, the Council requires approval for the DLGC to do so. We have now received that consent but in addition there are a number of other assets that require appropriation. This is purely a technical matter that allows us to finally close down the Housing Revenue Account and account for all future transactions within the general fund.

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

4. The appropriations are proposed in order to enable prompt closure of the HRA with the attendant release of its working balance for General Fund purposes.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

5. None.

CORPORATE PRIORITIES

6. This report relates to the following Strategic Objectives:

Put Chorley at the heart of regional economic development in the Central Lancashire sub-region		Develop local solutions to climate change.	
Improving equality of opportunity and life chances		Develop the Character and feel of Chorley as a good place to live	
Involving people in their communities		Ensure Chorley Borough Council is a performing organization	✓

BACKGROUND

7. Following the transfer of its housing stock to Chorley Community Homes Ltd, the Council still retains ownership of a small number of housing fixed assets. These must be transferred or appropriated to the General Fund before 31 March 2008 in order that the HRA can be closed, and its financial reserves released.

DETAIL

8. The fixed assets currently accounted for in the HRA are as follows :

	Amended Book Value 31/03/2007 £
Cotswold House residential accommodation	477,767
Various garages & garage plots	450,800
Land St Gregory's Place	30,000
Land Laurel Avenue	200,000
Land Cabbage Hall Fields	113,312
Land Crosse Hall Lane	200,000
Land site of Douglas House	13,260

9. Cotswold House, being residential accommodation, can only be transferred from the HRA on the direction of the Secretary of State. The necessary application has recently been approved by the Secretary of State with effect from 1 April 2007.
10. This report seeks consent to appropriate the other sites to the General Fund. The consequence of this is that income and expenditure will be accounted for in the General Fund, and any capital receipts from disposal will be 100% usable, not being subject to pooling (a proportion of HRA receipts have to be paid to the DCLG under, what is known as the "pooling" arrangements).
11. There are a small number of other assets formerly accounted for in the HRA (i.e. certain debtors and some mortgages on former HRA property). These too will be accounted for in the General Fund in future.
12. This action is a pre-requisite to the closure of the HRA. It is planned that this should happen on 1 April 2008. Following closure, the balance on the HRA, which is currently £966k, will be released for use by the General Fund.

RISK

13. The proposals in this report do not carry any financial risk for the Council. The only area of uncertainty concerns the exact date on which the HRA can be closed. As stated above it is hoped and expected that this will be 31 March 2008

IMPLICATIONS OF REPORT

14. This report has implications in the following areas and the relevant Corporate Directors' comments are included:

Finance	✓	Customer Services	
Human Resources		Equality and Diversity	
Legal		No significant implications in this area	

GARY HALL
ASSISTANT CHIEF EXECUTIVE (BUSINESS TRANSFORMATION)

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Gordon Whitehead	5485	17 March 2008	Housing Revenue Account