

**Decision maker:** Cabinet Member for Housing

**Subject:** Appropriation of Charles Dickens Centre to HRA

**Date of decision** 12<sup>th</sup> July 2011

**Report by:** Head of Housing

**Wards affected:** Charles Dickens and Nelson

**Key decision (over £250k):** Key decision

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### 1. Purpose of report

To seek authority to investigate the effects of appropriating land and premises at Charles Dickens Centre, Lake Road from Education to Housing, including seeking Secretary of State approval.

### 2. Recommendations

- 1. To further investigate appropriation of Charles Dickens Centre to include developing a plan for the management of the centre and integration of this facility into the existing community centre provision,**
- 2. To further consider what would be necessary to support a case to request approval from the Secretary of State for Communities and Local Government under Section 12 of the Housing Act 1985, to appropriate Charles Dickens centre into the Housing Revenue Account.**

### 3. Background

The law requires that all income and expenditure relating to Council Housing is accounted for separately in the "Housing Revenue Account" or HRA. All other Council income and expenditure is accounted for together in a separate account called the General Fund. This report covers the possible transfer, referred to in legislation as an "appropriation", of the Charles Dickens Centre from the General Fund to the HRA. Appropriation requires an exchange of debt between the HRA and the General Fund equivalent to the value of the property being appropriated.

The Chair of Governors of both the Charles Dickens Infant and Junior schools have contacted the Housing Service to request that we appropriate the Charles Dickens Centre into the Housing Service. They believe that the management of such a centre is not consistent with the delivery of education. A copy of the letter received from the governors is attached and marked as Appendix 1.

The Charles Dickens Centre has a sports hall, dance studio, activity room, showers, outside multi use games area (MUGA), Buckland youth centre (IYSS), car park and adjacent area. It is currently managed and maintained by the Charles Dickens infant and junior school. The Governors have indicated that they wish to withdraw from managing the centre to concentrate on education and have requested Housing to appropriate the building, subject to agreement on details.

The Building is in good order having been well looked after, in an ideal location, appreciated by users, known as a safe place by young people and provides facilities not found in local community centres.

The school are unable to develop the potential of the building and to do so would detract from their focus on teaching. Many local people find it hard to access the building and meet the hire costs. The result is that young people miss out on opportunities and don't engage as well as they might.

An appropriation of the Centre would allow the opportunity to work with local tenant and community groups, such as Heartlands Community Voice, to increase use of building, to extend and develop uses, to unlock access to finance and increase engagement, whilst maintaining the school's current use of the building for pupil activity. Appropriation to Housing could also reduce the costs falling on the General Fund.

The Budget report approved on 8<sup>th</sup> February 2011 identified General fund savings requirements of 15million, 8 Million, 7million, 7 million for the four financial years 2011-2015. Against this background any changes that can be achieved without significant effects on services must be considered. This proposal would result in savings in debt servicing costs to the general fund. It is recommended that if appropriation is subsequently approved any resultant General Fund savings are offset against General Fund 2012/2013 savings targets for the Head of Housing.

There would need to be a detailed financial appraisal and agreement on the finer points of the transfer but there is a positive wish to develop the potential of the Charles Dickens Centre for the benefit of the community.

#### **4. Reasons for recommendations**

The Housing Service would benefit from the appropriation by enabling residents to have more 'stake' in their neighbourhood, to develop more skills in residents, to increase social capital, and to further the partnership between residents and the housing service, leading to more satisfaction with their landlord and neighbourhood.

Residents of Landport and Buckland have significant deprivation and increasing the use of the community facility may contribute to reductions in Anti social behaviour and Domestic Violence, whilst increasing community cohesion and Health and Employment prospects.

Consideration has been given to continuing with the school's management but this may risk a reduction in service as the school governors concentrate on education. The governors have not identified other suitable partners.

The recommendations are consistent with the corporate priorities – if appropriation is considered the best course of action after further investigation and consideration, it may give opportunities to manage the facilities in order to reduce crime and fear of crime, increase housing quality, support vulnerable residents, improve efficiency and involvement and raise standards in education.

## **5. Equality impact assessment (EIA)**

An EIA will be carried out at the next stage in this process once the ramifications of appropriation are established.

## **6. Head of legal services' comments**

Section 122 of the Local Government Act 1972 permits the Council to appropriate land held for one purpose for use for any other purpose for which the Council is authorised to acquire land by agreement, where the appropriated land is no longer required for the purpose for which it is held immediately before the appropriation. The land appropriated remains subject to any pre-existing rights of other persons in the land.

Before the appropriation takes place for the benefit of the Housing purposes of the Council it will be necessary to determine whether there are any covenants affecting the land. Compensation may be payable where any works are executed after appropriation in breach of such covenants, It will be necessary to consider whether any works required to make the land more amenable for housing purposes would be in breach of covenant (if any) so that a full assessment of costs associated with the intended purposes can be made.

## **7. Head of finance's comments**

**As described in the "Background"** to this report all income and expenditure relating to Council Housing is accounted for separately in the "Housing Revenue Account" or HRA. All other Council income and expenditure is accounted for together in a separate account called the General Fund. "Appropriation", of the Charles Dickens Centre from the General Fund to the HRA would requires an exchange of debt between the HRA and the General Fund equivalent to the value of the Charles Dickens Centre.

The Government are proposing to make a very significant change to Housing Revenue Account financial arrangements from April 2012 by requiring councils to take on extra debt in exchange for retaining all rents, see Council Housing Budget report to Housing Decision Meeting 1 Feb 2011 on IntraLINK for more details <http://www.portsmouth.gov.uk/yourcouncil/20009.html> . If this change goes ahead as hoped it is likely that the HRA will be able to take on the extra costs associated

with the appropriation. If the change does not proceed as hoped it is unlikely that the HRA will be able to afford the financial effects of appropriation.



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Signed by: Owen Buckwell – Head of Housing Management

**Appendices:**

Letter from Governors

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

.....  
Signed by: