

Agenda item:

Title of meeting: Cabinet Member for Housing

Date of meeting: 22nd September 2015

Subject: APPROPRIATION OF MOBILE HOME PARKS

Report by: OWEN BUCKWELL – DIRECTOR OF PROPERTY AND HOUSING

Wards affected: Cosham and Eastney & Craneswater

Key decision: No

Full Council decision: No

1. Purpose of report

- 1.1 To appropriate the mobile home parks at Henderson Road, Eastney and Cliffdale Gardens, Cosham from the Housing Revenue Account into the General Fund. This report is presented as a result of the relevant Members Information Service item (MIS Issue 29, item 3 of 24 July 2015) being called in by Councillor Winnington.

2. Recommended

That the mobile home parks at Henderson Road, Eastney and Cliffdale Gardens, Cosham be appropriated from the Housing Revenue Account into General Fund with effect from the 1st April 2015.

3. Background

- 3.1 The Council's Housing Revenue Account currently holds two mobile home parks.
- Henderson Park - Located in Eastney, this mobile home park currently accommodates 67 mobile homes
 - Cliffdale Gardens - Located in Cosham, this mobile home park currently accommodates 50 mobile homes.
- 3.2 Mobile homes are not classed as Social Housing, but are instead held as commercial assets, with the aim of generating an ongoing financial return.

- 3.3 Site rents are currently set on an annual basis in line with RPI, as part of the Council Housing budget process. The rents recovered are retained by the Housing Revenue Account and fund the day to day running costs of the mobile home parks and any related capital expenditure.
- 3.4 In 2013, the operational management of the parks transferred to the Housing Standards service within the General Fund, recognising their status as private housing, although the income and related costs remained within the HRA.
- 3.5 In order to recognise the commercial nature of the mobile home parks, to enable Housing Management to focus on its social housing responsibilities, and deliver savings to the General Fund, a saving was presented to Full Council on the 9th December 2014 which aimed to transfer the ownership of the mobile home parks from the HRA to the General Fund.
- 3.6 This decision was subsequently reflected in the Council Housing Budget 2015/16, which was approved by the Cabinet Member for Housing on 27th January 2015 and which confirmed the cessation of the mobile home rents and associated costs falling on the HRA from 2015/16 onwards.

4. Reasons for recommendations

- 4.1 This report requests that the appropriation approved by Council and the Cabinet Member for Housing, be actioned with effect from 1st April 2015, in order to deliver the savings required to balance the 2015/16 HRA and General Fund budget.

5. Equality impact assessment (EIA)

- 5.1 An EIA is not needed for the appropriation.

6. City Solicitor's comments

- 6.1 Strict controls exist around the appropriation out of the Housing Revenue Account of land held for housing purposes upon which a house or flat exists. However, a mobile home does not constitute a house or flat for the purposes of this definition. While the Local Government Act 1972 requires that land may only be appropriated to another purposes where it is no longer used for the pre-existing purpose (and this appears not to be the case), upon a review of the arrangements, the action appears to be corrective in that the mobile homes, and land upon which they stand, was not used for the function of providing housing, or amenities to those accommodated in housing.

7. Director of Finance's comments

- 7.1 As discussed in the previous paragraphs, the proposed appropriations already form part of the approved General Fund and HRA budgets 2015/16 and as a result the financial effects of the appropriations have already been taken into account.
- 7.2 The appropriations have enabled the delivery of ongoing revenue savings to the General Fund of approximately £42,000 per year, without affecting the service being provided to the mobile home residents.

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Signed by:
Owen Buckwell – Director of Property and Housing

Appendices:

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

NIL

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by the Cabinet Member for Housing on 22nd September 2015.

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Signed by:
Councillor Steve Wemyss
Cabinet Member for Housing