

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:	3154
Author:	Graham de Max
Department:	Development and Growth
Contact:	Heather Day (Job Title: Housing Strategy Partnerships Support Officer, Email: heather.day@nottinghamcity.gov.uk, Phone: 01158763517)
Subject:	Increase in the Housing Revenue Account (HRA) Shop Investment budget in the Public Sector Housing Capital Programme
Total Value:	£30,000 (Type: Capital)
Decision Being Taken:	To approve the addition of £30,000 to the Shop Investment scheme in the Public Sector Housing (HRA) Capital Programme (2018-23) to enable capital receipt expenditure to be ring fenced for re-investment into HRA retail premises.

Reasons for the Decision(s) This report seeks permission to enable capital receipt expenditure to be ring fenced for the re-investment into HRA retail premises upon the agreement of a long lease.

Within its HRA Nottingham City Council owns and manages an extensive portfolio of HRA shops/buildings in the Nottingham city area. There are small parades of shops spread across the city predominantly serving areas where Council homes are located. The portfolio of shops gross income produces a net contribution of £500,000 to the HRA each year and therefore improvement/modernisation works are regularly needed to sustain this revenue stream.

Many of the retail units within the HRA were built around the same time as the Council housing estates and it has been identified that some require more than reactive day-to-day repairs.

Recently negotiations have taken place to agree a new 99-year long lease for one of the Council's retail premises. This property comprises of one shop and one maisonette to the upper floor of the building. The granting of such a lease has generated a capital receipt to the Council's HRA as detailed in Delegated Decision 2875.

The whole of this receipt would normally be applied to fund capital schemes contained within the Public Sector Housing Programme and also be used as an additional resource available for investment to HRA owned assets. It is suggested a proportion of this capital receipt (£30,000), from the agreement of the long lease be re-invested back into the retained shops to assist with the modernisation and re-development of the retail units in the future.

This would ensure the shops remain in a decent and safe condition that enables the parades to become places that citizens are keen to use as well as bringing economic benefits to the area. A business case and Portfolio Holder consultation will be undertaken prior to any expenditure of income.

Other Options Considered: Do nothing. This option was discounted as the shops parades require continual investment and maintenance.

Background Papers: None

Published Works: None

Affected Wards: Citywide

Colleague / Councillor Interests: None

Consultations: Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

There are no crime and disorder implications to this decision.

Equality:

EIA not required. Reasons: This is not a new or changing policy, service or function. The decision adheres to all Council Equality policies.

Relates to Council Property Assets:

Yes

Decision Type:

Officer

Executive Decision?

Yes

Scheme of Delegation Reference Number or Other Source of Delegation:

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Subject to Call In:

No

The call-in procedure does not apply to the decision because the value of the decision is below the call in threshold.

Advice Sought:

Legal, Finance, Property

Legal Advice:

From the content of the information provided in the decision the proposed arrangement does not appear to raise any concerns or issues from a legal perspective. Advice provided by Mick Suggett (Team leader: Conveyancing) on 22/03/2018.

Finance Advice:

The decision is to increase the existing Public Sector Housing (HRA) Capital Programme scheme "HRA Shop Investment" by £30,000. The additional expenditure can be funded through the use of the capital receipt referred to in the decision.

The HRA portfolio of shops generates net income of around £0.500m p.a., this is used to support the management and maintenance of the housing stock. The investment in this portfolio will help support the continuation of this income stream in future years.

This results in an increase to the Public Sector Housing Capital Programme, which is fully funded by the capital receipt and so there is no impact on the MTFP.

Advice provided by Julie Dorrington (Senior Accountant (Housing Revenue Account)) on 22/03/2018.

Property Advice:

As the main contact for property management of the HRA portfolio I can see no issues with the proposed arrangement detailed within this decision in order to maintain the properties and communal areas of the HRA.

Advice provided by Philip Le Couteur (Estates Surveyor) on 22/03/2018.

Signatures:

David Bishop (Corporate Director for Development and Growth)

SIGNED and Dated: 14/05/2018