

Falkirk Council

**Title: Housing Revenue Account – Land Sales under £5000 for
Additional Residential Garden Ground**

Meeting: Executive

Date: 16 August 2016

Author: Director of Corporate and Housing Services

1. Purpose of Report

- 1.1 The purpose of this report is approve changes in the way that applications to purchase Housing Revenue Account (HRA) land under the value of £5,000 are undertaken.

2. Recommendations

2.1 It is recommended that the Executive:

- (1) Agrees the introduction of a non-returnable fee of £200 for all applications to purchase HRA land at a price of less than £5,000 for the purposes of use as additional residential garden ground; and**
- (2) Agrees the proposed revised consultation process.**

3. Background

- 3.1 Corporate and Housing Services receive applications from owners seeking to buy areas of land adjoining their properties as additional residential garden ground. These transactions are now considered by the Head of Housing under delegated authority.
- 3.2 Over the years, due to the increase in the number of applications received, the staff resources required to process requests has increased. The number of applicants ultimately purchasing land for the purposes of additional residential garden ground is significantly less than applications received, due to applicants withdrawing after receipt of a land valuation. The procedure is staff intensive for a number of services including:
- Asset Management (Development Services) – who check the extent of council ownership, prepare detailed deed plans, carry out a valuation of the land in question and provide instructions on the terms of a disposal to Legal;

- Roads (Development Services) – who provide comment in relation to potential impacts re. traffic issues etc.;
- Estates (Development Services) – who carry out a number of functions relating to the current and future maintenance of the area;
- Planning (Development Services) – who comment on issues relating to the Local Development Plan, development potential, open space issues etc.;
- Housing (C&HS) – Neighbourhood Offices consult local residents, elected members and provide an overview of the impact on the area;
- Housing (C&HS) – Strategy & Development Team consult with other services and amalgamate all consultation into a report. When the sale proceeds they also complete a consent form for submission to the Scottish Government;
- Legal (Governance) – who carry out title examinations to verify Council ownership and the potential impact of any title conditions on a sale, as well as formalising and concluding the contract of sale.

4. Considerations

4.1 Review of Land Sales

- 4.1.1 A review of land sale applications between 2012 and 2014 found that of the 71 applications received only 13 sales were concluded or are in the process of being concluded. This highlights that after committing extensive resources, the Council received a potential income from these sales of c£18,000 which is significantly less than the cost involved to administer the process.
- 4.1.2 An assessment of the time taken to complete an individual land sale has been calculated as equivalent to 17.5 hours of staff time. Therefore, in order to minimise the costs of administering the process, it is proposed that applicants are advised that a non-returnable fee of £200 will be applied on their application, should they wish the application to be assessed and the land valued. This fee will pay for the cost of administering the application and help to mitigate the current abortive time and cost spent on applications which do not proceed to conclusion. Additional legal fees will still be applicable, should a sale proceed. This proposal follows online research with Local Authorities and Housing Association websites showing that a typical non-refundable administration fee of up to £250 is charged.
- 4.1.3 A minimum purchase price of £1,000 irrespective of the size of the area of land will continue to apply.
- 4.1.4 In terms of the consultation process, it is considered necessary to continue consultation with neighbours who will be affected by an application to purchase land for the purposes of additional residential garden ground, Local Members and the local housing staff.

In terms of other Services, it is proposed that the current process is amended from that outlined in para 3.3, to consult with:

- Planning (Development Services) to identify if the sale would be contrary to the Local Development Plan, Open Space Strategy etc.;
- Roads (Development Services) to ensure that there are no issues with visibility, which could impact on road safety.

4.1.5 Staff within the Strategy and Development Team will draft a new simplified procedure, new application form, standard letters and checklist for the consultation.

5. Consultation

5.1 Consultation on the new process has taken place with other Council Services- Asset Management (Development Services), Roads (Development Services), Estates (Development Services), Planning (Development Services) and Legal (Governance).

6. Implications

Financial

6.1 The introduction of a £200 non-returnable administration fee will mitigate the current resources used to process applications which do not proceed to conclusion.

Resources

6.2 There are no additional resources required.

Legal

6.3 There are no legal implications.

Risk

6.4 There are no risks identified.

Equalities

6.5 There are no equalities issues.

Sustainability/Environmental Impact

6.6 There are no sustainability/environmental issues.

7. Conclusions

- 7.1 The introduction of a streamlined procedure for dealing with applications to purchase HRA land at a price of less than £5,000 for the purposes of use as additional garden ground is proposed.
- 7.2 In addition, proposals are included to recover the cost of the administration of the sale of HRA land and ensure best value for the Council's tenants.

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Date: 8 August 2016

APPENDICES

None

List of Background Papers:

The following papers were relied on in the preparation of this report in terms of the Local Government (Scotland) Act 1973:

- None