

## **Cabinet**

**8 April 2025**

### **Appropriation of 1-3 Saxton House**

Portfolio Holders: Councillor Louwella Prenter, Portfolio Holder for Housing and Homelessness

Councillor Zoë Van Dyke, Portfolio Holder for Business Management

Report from: Rebecca Wilcox, Chief Housing Officer

Author: Lisa Webb, HRA Development Manager

#### **Summary**

1-3 Saxton House, Gillingham ME7 5ER was purchased by the Council's Housing Revenue Account (HRA) but then subsequently transferred to the General Fund for use as Temporary Accommodation.

This report seeks to regularise the appropriation of 1-3 Saxton House from the Council's HRA to the General Fund.

#### **1. Recommendations**

1.1. The Cabinet is requested to instruct officers to appropriate 1-3 Saxton House from the Council's Housing Revenue Account (HRA) to the General Fund.

#### **2. Suggested reasons for decision(s)**

2.1. Agreeing the recommendations above will enable the service to account for the property in the annual asset valuations for the General Fund.

2.2. In addition, agreeing this recommendation will further assist the Council in delivering its services to address demand relating to homelessness and temporary accommodation.

#### **3. Budget and policy framework**

3.1. In accordance with the Constitution, Cabinet authority is required to appropriate land/property.

## 4. Background

- 4.1. 1-3 Saxton House is a new build block of three, 2-bedroom flats built in 2022. In December 2022, the Council's HRA completed on the acquisition of 1-3 Saxton House with the intention of the flats being used to increase the HRA affordable housing stock.
- 4.2. 1-3 Saxton House was acquired under the delegated authority placed upon the Director of Place and Deputy Chief Executive (now Director of Place) and in consultation with the Deputy Leader and Portfolio Holder for Housing and Community Services (now Portfolio Holder for Housing and Homelessness), following the approval by Full Council on 16 July 2020 of a £10m budget to the HRA Capital Programme to increase the stock of HRA affordable housing.
- 4.3. 1-3 Saxton House was transferred to the General Fund for use as Temporary Accommodation (TA), following approval of the pilot TA acquisition project by Full Council on 19 January 2023. The transfer needs to be regularised as an appropriation so that it can be accounted for correctly in the annual asset valuations for the General Fund.
- 4.4. SDLT (Stamp Duty Land Tax) is payable on General Fund purchases. The appropriate SDLT was paid for 1-3 Saxton House at the point of completion.

## 5. Options

- 5.1. Option 1 – agree to the appropriation of 1-3 Saxton House to the General Fund.
- 5.2. Option 2 – do not approve the appropriation on 1-3 Saxton House to the General Fund. This would mean that the property will not be accounted for correctly in the annual asset valuations for General Fund.

## 6. Advice and analysis

- 6.1. It is considered that regularising the appropriation of 1-3 Saxton House is the best option (option 1). This will allow for the required balance sheet accounting.

## 7. Risk management

### 7.1.

Risk	Description	Action to avoid or mitigate risk	Risk rating
Appropriation of 1-3 Saxton House is not approved	The Council cannot account for the property in the annual asset valuation, making this inaccurate.	Appropriate the property.	BII

For risk rating, please refer to the following table:

<b>Likelihood</b>	<b>Impact:</b>
A Very likely B Likely C Unlikely D Rare	I Catastrophic II Major III Moderate IV Minor

## 8. Consultation

8.1. No formal consultation is required.

## 9. Climate change implications

9.1. There are no climate change implications.

## 10. Financial implications

10.1. If the appropriation is not regularised, the property cannot be accounted for correctly in the annual asset valuations for the General Fund.

10.2. The transfer of these properties from the HRA to the General Fund was funded from the capital programme (funded by prudential borrowing) for the purchase of approximately 20 properties for use as TA as approved at Full Council on 19 January 2023 (funded by prudential borrowing).

## 11. Legal implications

11.1 There are no legal implications directly arising from this report.

## Lead officer contact

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## Appendices

None.

## Background papers

None.