



Report to: Cabinet Meeting: 9 September 2025

Portfolio Holders: Councillor Paul Peacock, Strategy, Performance & Finance
Councillor Lee Brazier, Housing

Director Lead: Sanjiv Kohli, Director - Resources

Lead Officer: Kevin Shutt, Development Manager - Corporate Property

Report Summary	
Type of Report	Open Report / Non-key decision
Report Title	Land Transfer, Bowbridge Road - General Fund (GF) to Housing Revenue Account (HRA)
Purpose of Report	To enable the construction of 5 HRA adapted bungalows.
Recommendation	That Cabinet approve to appropriate the land at Bowbridge Road, Newark from the GF to the HRA at the current value of £326,400 with subsequent CFR adjustment of £224,976 and Capital Receipt transfer of £101,424 to enable construction of HRA properties to support the local housing need and meet the Council's business plan objectives.
Alternative Options Considered	<p>The options to dispose of the land to the YMCA and Arkwood Developments Limited were explored, neither of these options were viable and were discounted.</p> <p>Leave the land in the General Fund for future currently unidentified potential development.</p>
Reason for Recommendation	To enable construction of 5 no HRA bungalows to support the local housing need.

1.0 Background

- 1.1 The Council currently own an area of land located off Bowbridge Road, Newark. The land was purchased on 12 May 2022 for the sum of £1,115,973 (inclusive of Stamp Duty Land Tax). The land was purchased to be developed into a car park to improve car parking at the hospital located off Bowbridge Road, to meet the local needs of people attending the hospital. The carpark was completed in 2024 and is now in use.

- 1.2 The car park construction has left an area some 2/3rds (see comments in relation to land value in relation to land area in finance section below) of the total purchased land available for further development opportunities. This further development opportunity was presented to the strategic housing group in 2023 and full support was given to the proposal by the Business Manager - Housing & Estates Management and by the Director - Housing, Health & Wellbeing.
- 1.3 Following the Strategic Housing meeting, a site feasibility was carried out and the site received full planning approval for 5 large 3 and 4 bed level access bungalows to be constructed (plan attached as **Appendix 1**) in 2024. Land is in very short supply in this area and the need for large level access bungalows is very high in the Hortonville area.
- 1.4 The proposed development of large bungalows will help to resolve a number of complex housing and adapted property needs that the HRA currently has on its caseload.
- 1.5 A procurement exercise is currently being carried out for phase 6 of the HRA new build development programme, which was approved by Cabinet on 31 October 2023. This development will contribute to the 50 approved properties. The construction subject to approval of the land transfer will commence on site summer 2025 and will be completed mid-2026.

2.0 Proposal

- 2.1 To transfer the residue land off Bowbridge Road, Newark from the General Fund to the HRA to facilitate the proposed new build development of 5 no large family 4 and 3 bed level access bungalows to meet the local housing need.
- 2.2 Land in this area is in very short supply and this site is a prime development site. It is a very good location for a development of level access adapted bungalows being very close to local hospital, shops, bus stops and general facilities.
- 2.3 The site has received full planning approval which was granted with full support of the planning committee in 2024.
- 2.4 The site has been included in a current procurement exercise, for the construction phase of the site. Tenders are to be received in June 2025 with construction planned to start in September 2025, for completion and occupation in Spring 2026, subject to approval of the land transfer.
- 2.5 The site is currently vacant and clear of any structures awaiting future development.

3.0 Further Considerations

- 3.1 No other development proposals have been put forward for the site. Following a site feasibility study carried out by the Development Manager - Corporate Property, the proposed construction of HRA bungalows was identified as the most beneficial use of the land to the Council to meet the local needs of the community.

- 3.2 The land could be land banked for future potential development; however, this would present a risk of antisocial behaviour, fly-tipping and potential unauthorised occupation by others.

4.0 **Summary**

Request to transfer the residue land off Bowbridge Road, Newark, from the General Fund to the HRA to facilitate the proposed new build development of 5 no. large family 4 and 3 bed level access bungalows, to meet the local housing need.

5.0 **Implications**

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection; Digital & Cyber Security; Equality & Diversity; Financial; Human Resources; Human Rights; Legal; Safeguarding & Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Financial Implications (FIN24-25/3003)

- 5.1 The purchase of the land and costs associated with the car park site were financed through borrowing. The 2022/23 purchase of £1,115,973 resulted in an annual Minimum Revenue Provision (MRP) of £22,319.46 over 50 years, charged to revenue in line with the Councils MRP policy to pay off the capital borrowing over the assets life. This has been included in the Medium-Term Financial Plan (MTFP) along with the income from the lease to Sherwood Hospitals Trust of £100,000 per annum.
- 5.2 The land is divided into two parts based on the valuation; 79% has been developed into a car park as mentioned in paragraph 1.1, leaving the 21% available for future development. If the proposal to transfer the land to the HRA is approved, the land would be transferred from the GF to the HRA by an adjustment between the two funds Capital Financing Requirement (CFR) represented by the outstanding borrowing requirement for the parcel of land, which is £224,976, as shown below.

	Total Borrowing	MRP Charge 2023/24	MRP Charge 2024/25	MRP Remaining
Acquisition	1,115,973	22,319	22,319	1,071,334
Car Park 79%	881,619	17,632	17,632	846,336
Development 21%	234,354	4,687	4,687	224,976

- 5.3 The land has been valued as part of the Council's rolling valuation programme in 2024/25 at a value of £326,400, representing £65,280 per unit. Therefore, £101,424.48 (in addition to the debt transfer of £224,976) would need to be transferred between the two funds Capital Receipts resulting in the GF receiving the £326,400 for the Land.

- 5.4 To date, the total charges to the GF for MRP amounts to £44,639 (2023/24 and 2024/25 MRP charges shown in the table above). The £22,319 will therefore be reduced to £17,698 from 2025/26 following the proposed transfer above. Due to the charges above being included in the MTFP, this will be a saving in 2025/26 and a budget reduction thereafter.
- 5.5 The 5 units will be a part of Phase 6 of the Council House Development Programme, for which there is sufficient budget.

Legal Implications - LEG2425/8471

- 5.6 Cabinet is the appropriate body to consider the content of this report.
- 5.7 The general power of appropriation is found in S112 (1) Local Government Act 1972 which states that councils "may appropriate for any purpose for which the Council are authorised by this or any other enactment to acquire land by agreement any land which belongs to the council and is no longer required for the purpose for which it is held immediately before the appropriation ..."
- 5.8 1.4 of this report says the land being held for the purpose of a car park is no longer required as the car park has been developed on the rest of the site and the land in question represents the remainder of the site. The stated purpose now required by the land is for the redevelopment and improvement of the land in accordance with the granted 2024 planning permission.
- 5.9 S227 Town and Country Planning Act 1990 is an enactment to acquire land by agreement, and the stated purpose in paragraph 2.2 constitutes an authorisation under that act i.e. if it thinks that the development or redevelopment will contribute to the achievement of the promotion or improvement of the economic, social and/or environmental wellbeing of its area.
- 5.10 S19 (1) of the Housing Act 1985 deals specifically with appropriation to the HRA and is a general power of appropriation. S19 (2) requires the consent of the Secretary of State where the appropriation of land consists of a house. This report makes it clear consent is not required as the land is undeveloped and there is no requirement to obtain the consent of the Secretary of State.

Human Resources Implications

- 5.11 None identified

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Planning Application 24/00618/FUL - Land At, Bowbridge Road, Newark on Trent