

EXETER CITY COUNCIL

**EXECUTIVE
7 APRIL 2009**

LEYPARK ROAD, FORMER BUILDERS YARD AFFORDABLE HOUSING DEVELOPMENT

1. PURPOSE OF REPORT

- 1.1 To authorise the disposal of land at Leypark Road, Whipton Barton (see attached plan) to Sovereign Housing Association, at less than best consideration, to provide nine affordable homes.

2. BACKGROUND

- 2.1 The site has previously been a council depot and more recently has been let as a builders yard. The site is not very attractive in its current form and Officers and Ward Councillors would like to see the site redeveloped for housing.
- 2.2 Executive on 4 July 2006 (Minute 64 refers) resolved that the Council should make use of Housing Revenue Account land to increase the provision of affordable housing within the city. Disposal of the land would be to a partner registered social landlord by way of a 125 year lease. Each parcel of land would be disposed of by delegated authority signed by the Head of Housing Services in consultation with the Portfolio Holders for Housing & Social Inclusion and Business Transformation & Human Resources (formerly Best Value & HR), together with the Head of Estates Services. This site is part of this programme.
- 2.3 The Portfolio Holder for Business Transformation and Human Resources has indicated she is unable to sign the delegated powers (DP) for this particular site due to a conflict of interest. The Council's constitution does not allow for substitutes except in urgent cases to sign the DP therefore this report has been prepared for consideration by Executive.
- 2.4 Consultation has taken place with the Ward Councillors and they all support the use of this site for affordable housing. Consultation has also been carried out with the local residents and no major issues were raised on the outline plans.
- 2.5 There has been consultation with the Planning Services who have indicated that the development in principle fits with local planning policies.

3. PROPOSAL

- 3.1 It is proposed that the land be disposed of to our partner RSL, Sovereign Housing Association, at nil value under General Consent A, Section 25 of the Local Government Act 1988 for the disposal of land to registered social landlords. The land would be disposed by way of a 125 year lease to allow Sovereign Housing Association to undertake this development. The scheme will comprise 6 one bed flats and 3 two bed flats, for rent to people on the Home Choice register.
- 3.2 There are additional benefits associated with the delivery of this scheme:

- All of the homes will be designated as downsizing units, for people over 55 years of age, thus freeing up much needed larger family housing.
- The upper floors can be accessed via a lift, making it possible for each of the two bed flats (one on each floor) to be used for wheelchair users or those with mobility problems.
- It provides nine affordable homes for rent
- The Council will secure its investment in the scheme by way of a clawback clause in the Nomination Agreement. Thus, should any homes be sold the Council can either request that the receipt be used to fund a replacement home or receive a capital receipt for investing elsewhere.
- It makes excellent use of a Council asset for the provision of affordable housing.
- The Council will receive full nomination rights to all of the nine properties in perpetuity.
- All of the properties will be built to lifetime homes standards and to very high sustainability levels making them significantly cheaper to run than standard social housing
- All of the properties will have residential sprinklers.

3.3 In delegating authority for the disposal of this land the Executive report of July 2006 included the then Portfolio Holder for Best Value and Human Resources, based on the need to demonstrate best value in our activities. Since that date the scope of the portfolio has changed to one of Human Resources and Business Transformation. Given the change in remit it is now more appropriate for the delegated responsibility for the disposal of Council land to fall to the member with responsibility for the council's resources, currently the Leader of the Council.

3.4 However, it is also recognised that on occasions the need for these delegated authorities to be signed is fairly urgent and should one of the Portfolio Holders be absent there will need to be a nominated substitute. It is therefore proposed that the nominated substitute for either the Leader of the Council or the Portfolio Holder for Housing and Social Inclusion be a Portfolio Holder nominated by the Leader.

4. FINANCIAL IMPLICATIONS

4.1 On the basis of the proposed scheme, the land at Leypark Road has an estimated market value of £163,500 as assessed by the Head of Estates Services on the 4 September 2008.

4.2 It is proposed to transfer the land to Sovereign Housing Association at nil cost in exchange for the nomination rights, which will be granted in perpetuity.

4.3 The Council will secure its investment in the scheme by way of a clawback clause in the Nomination Agreement. Thus, should any home's be sold the Council can either request that the receipt be used to fund a replacement home or receive a capital receipt.

4.4 By transferring the land in this way the Council will benefit from Social Housing Grant.

5. RECOMMENDED

Subject to planning consent and the completion of a satisfactory nomination agreement it is recommended that:

- 1) The land at Leypark Road, Whipton Barton (see attached plan) be disposed of to Sovereign Housing Association on a 125 year lease at nil value in exchange for the nomination rights that will be granted in perpetuity.
- 2) That the delegated authority for the disposal of Council land be changed from the Portfolio Holder for Human Resources and Business Transformation to the Leader of the Council
- 3) That the nominated substitute for the disposal of Council land for either the Leader of the Council or a Portfolio Holder nominated by the Leader.

HEAD OF HOUSING SERVICES

S:PA/LP/ Committee/409SCC1
16.3.09

COMMUNITY & ENVIRONMENT DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)
Background papers used in compiling this report: