

**REPORT TO: Cabinet**

**DATE: 20 December 2006**

**STATUS OF REPORT: Public**

**AREA COMMITTEES / WARDS AFFECTED: Ashbrow**

**CABINET PORTFOLIO: Safer Communities and Housing**

**TITLE: Deighton and Brackenhall Initiative – Phase 4 Site Development Proposals**

**WHY IS IT COMING HERE? / WHAT DECISION IS REQUIRED?**

The report is being submitted to Housing Briefing and Cabinet to seek approval to the proposals for the final phase of development of the estate submitted by Southdale Homes Ltd. under the terms of the Deighton Brackenhall Initiative (DBI) Partnership Agreement.

**IS THIS AN URGENT ACTION APPROVED BY THE CHAIR OF SCRUTINY?**

No

**WHAT ARE THE KEY POINTS?**

**1. Background**

Members will be aware of the ongoing regeneration of the Brackenhall Estate which is being undertaken in partnership with the private developer, Southdale Homes Ltd, of Halifax. The Partnership Agreement signed in December 2001 paved the way for a regeneration of the estate through a phased re – development to provide new housing for sale. Phases 1 and 2 have been completed with a total of 165 new units constructed and sold. Phase 3 is currently under construction with 52 of the proposed 104 new units having been sold. In addition, a total of 76 new social housing units have been constructed for various partner Housing Associations. The attached plan shows the location of the various phases in relation to the estate and the retained area of Council houses.

Under the terms of the Partnership Agreement, Southdale are required to submit for approval, their detailed development proposals for the sites including the payment of a community dividend equivalent to the market value of the land.

## **2. Phase 4 Site**

Formal proposals have now been received from Southdale for phase 4 of the development. This site is located at the southern end of the main estate comprising the site of the former properties fronting Oxley Road, Long Hill Road, Holt Avenue and Maypole Road. The site also includes the former shops and maisonettes on Bracken Square. The attached plan shows the area of the site edged red which has now been cleared of all buildings. The area to be developed for housing also includes parts of the large recreation and open space area in the heart of the estate. As this land falls within the definition of public open space, the disposal will be subject to the advertising provisions contained in the Local Government Act 1972.

## **3. Phase 4 Proposals**

The development proposed by Southdale is for the construction of 226 new properties comprising a mix of three and four bedroom family houses and two bedroom apartments for sale and rental. The development will provide substantial alteration and improvement to the existing highway infrastructure and will also incorporate two new equipped play areas. In response to the need identified by the local residents, a small retail unit with living accommodation is also being provided.

Detailed planning permission for the phase 4 proposals has been granted under references 2006/91960 and 2006/92845.

The site is to be developed by Southdale and Strata Homes who are Southdale's chosen developer partner for this final phase of development. Strata Homes previously partnered Southdale in the development of phases 1 and 2.

Although not included in the phase 4 proposals, the remaining recreation ground and sports facilities are to be substantially improved. In addition to the Community Dividend, the Council will secure a commuted sum from the Developer for the construction and maintenance of new changing facilities, Multi Use Games Area (MUGA), car parking facilities and grass sports pitches. The strategy for delivery of these facilities, together with the proposed re location of the existing Community Centre on Long Hill Road, is detailed later in this report.

## **4. Phase 4 Community Dividend**

The Community Dividend proposed by Southdale is **£3,669,456**.

This figure is net of the costs to be repaid directly to the Council for the demolition of some of the phase 4 properties under a proposal previously approved by Education and People Services Cabinet Committee on 22 March 2006.

Detailed information relating to the proposed house values, construction and other development costs have been submitted to the Council and have been scrutinised by officers. The sum represents the market value of the land as required under the terms of the Partnership Agreement. A copy of the valuation report certifying the market value of the land is attached.

The proposals were submitted to Joint Venture Steering Group on 3 October and approved at a meeting held on 14 November. Subject to Cabinet approval, the Department for Communities and Local Government will be requested to approve consent to dispose of the site at less than best consideration. The Council will require these consents in order to dispose of the site at nil consideration and generate the Community Dividend.

## **5. Proposals for new community centre, church and sports facilities**

Officers have been working closely with community representatives, Community Centre Management Committee members and officials from the United Reformed Church to formulate a strategy for the re location of the existing Community Centre and Church from its existing site on Long Hill Road, to a location adjoining the proposed new sports facilities and local shop in the heart of the estate (shown shaded green and hatched black on the plan). The existing building is in a poor state of repair, has limited facilities and requires substantial investment. The ownership of the existing site is complex; the freehold is held by the Council and subject to a 999 year lease to the Church who in turn, sub let the majority of the building back to the Council. Part of the building remains a church with the remainder being used by various local community groups. A local Management Committee oversees the day to day operation of the building.

A detailed planning application has recently been submitted for the construction of the new sports facilities and community centre / church within the area shaded green on the attached plan. The new building will be more central and accessible, create a 'link' between new homeowners and existing residents and allow the introduction of new services and facilities creating a better served, cohesive and sustainable community.

A number of funding sources have been identified to cover the development costs which include a share of the sale proceeds of the existing community centre site, and amount already ring fenced from Community Dividend Funds and part of the commuted sum to be secured for the new sports facilities. It is proposed to submit an application for Lottery Funds to provide the remainder.

To procure and manage the provision of the new facilities, a new registered company limited by guarantee – The Brackenhall Community Trust Ltd. has been constituted with effect from 26 September 2006. The 12 Board Members include representatives of the United Reformed Church (3), User Groups (3), Community (3) and DBI Partnership Board nominated representatives (3). This provides a valuable mix of skills and experience to take the project forward.

To help facilitate the development and construction of the new facilities, it is proposed that the following land transactions be approved by the Council, in principle, subject to terms being agreed and approved by the Head of Design and Property Service under delegation in the normal way.

1. Sale of the Council's freehold interest in the existing community centre site shown hatched red on the attached plan for residential development.
2. Sale of the Council's freehold interest in the current recreation ground and sports pitches (including the proposed site of the new community centre) as shown shaded green on the attached plan to The Brackenhall Community Trust Ltd.

It should be noted that the capital receipts from both these disposals will not form part of Community Dividend as neither site is being transferred pursuant to the provisions of the Partnership Agreement. The completion of both sales will be subject to planning permission being granted for the proposed uses.

## **6. Remaining sites in the Partnership Agreement**

In addition to the re development of the main estate, the Partnership Agreement also requires Southdale Homes to submit proposals for the development of a number of smaller sites within the DBI area for social housing. It was originally envisaged that these sites would be developed

by Southdale in partnership with nominated Housing Associations to provide replacement houses for those residents wishing to remain in the area, but whose homes were scheduled for demolition. Of the five sites included, only two now remain undeveloped – Cherry Nook Road and Belle Vue Crescent. Given that there is no longer any further requirement for replacement social housing, it is proposed that these sites be taken out of the Partnership Agreement and Southdale released from their obligations to submit development proposals.

There is significant interest from project stakeholders in the use of these sites for community purposes and consultations and discussions are ongoing.

### **7. Further report on completion of the sale**

The disposal of the final phase of development land on the estate will represent a landmark event in the life of the project. Officers propose to submit a further report, on completion of the sale, to deal with any outstanding issues relating to the Partnership Agreement and provide a detailed appraisal of the project to date.

### **OFFICERS' ADVICE AND RECOMMENDATION**

Cabinet are asked to :-

1. Approve the proposals for the development of the phase 4 site which will result in the provision of 226 new private homes and generate a Community Dividend of £3,669,456 as being equivalent to the market value of the land.
2. Transfer of the land to Southdale Homes Ltd. and their partner developer Strata Homes at nil consideration under the terms of the Partnership Agreement, subject to receiving the necessary consents from the Department for Communities and Local Government.
3. Approve the release of Southdale Homes Ltd. from their obligations under the Partnership Agreement in respect of site numbers 2 (Belle Vue Crescent) and 3 (Cherry Nook Road).
4. Approve, in principle, the disposal of the freehold interest in the site of the existing community centre on Long Hill Road.
5. Approve, in principle, the disposal of the freehold interest in the current recreation ground and sports pitches to The Brackenhall Community Trust Ltd.

### **PORTFOLIO HOLDER'S RECOMMENDATION**

That the Officer advice is accepted.

## **CONSULTATION**

Consultation has taken place with Southdale Homes, the DBI Joint Venture Steering Group, DBI Partnership Board and Council officers. The DBI Joint Venture Steering Group includes elected members, tenant and resident representatives, KMC and KNH officers and Southdale Homes and is the body which oversees housing developments within the DBI area. The DBI Partnership Board includes a range of key stakeholders from the community and voluntary sectors, Elected Members and key public services including KMC, Police, PCT and is responsible for all non housing related regeneration matters including investing the Community Dividend.

## **POLICY**

The approval of the site proposals, transfer of the site at nil consideration and payment of the Community Dividend are consistent with the ongoing re development of the Brackenhall Estate which are enshrined in the terms of the Partnership Agreement between the Council and Southdale Homes dated 13 December 2001.

## **RESOURCES**

The Community Dividend payments made under the terms of the Partnership Agreement are held by Kirklees Community Association and administered by the DBI Partnership Board for the benefit of the DBI Regeneration Area.

## **MONITORING AND REVIEW**

The transfer of the site and development of the new houses will continue to be monitored by officers and through the DBI Joint Venture Steering Group.

## **CONTACT OFFICERS AND RELEVANT PAPERS**

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Ref: File MD4/8

## **TONY HOOD - DIRECTOR FOR ADULTS AND COMMUNITIES**