

Name of meeting: Cabinet
 Date: 20 February 2018

Title of report:

DISPOSAL OF DEVELOPMENT SITE, QUARMBY, HUDDERSFIELD

Purpose of report

1. For Cabinet to review the reasons for the council to dispose of a 0.36 ha site for affordable housing development off Quarmby Road, Huddersfield
2. To advise Cabinet of any objections received following the advertisement of the disposal of the site in line with S123 of the Local Government Act 1972, and allow these to be considered
3. To seek Cabinet authority to dispose of the site.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	No.
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports)?	No.
The Decision - Is it eligible for "call in" by Scrutiny?	Yes
Date signed off by Strategic Director & name	Karl Battersby - 07.02.18
Is it also signed off by the Service Director - Finance, IT and Transactional Services?	Debbie Hogg - 08.02.18
Is it also signed off by the Service Director - Legal, Governance and Commissioning?	Julie Muscroft - 12.02.18
Cabinet member portfolio: <ul style="list-style-type: none"> • Corporate (Place, Environment and Customer Contact Services) • Economy (Strategic Housing, Regeneration and Enforcement) 	Cllr Graham Turner Cllr Musarrat Khan Cllr Naheed Mather Cllr Peter McBride

Electoral wards affected: Lindley

Ward councillors consulted: Lindley Ward Members have been consulted on the proposed disposal. Comments received will be reported

Public or private: PUBLIC

1. Summary

- 1.1 This report is brought to Cabinet to allow the consideration of any objections received in respect of the proposed disposal of approximately 0.36ha of land in Quarmby, Huddersfield to enable the development of affordable housing. It has been produced for this Cabinet agenda to address project timescales and Homes England grant funding arrangements.
- 1.2 If objections are received, these will be set out in Appendix 2, and Cabinet will be asked to consider the objections and to make the decision on whether or not to dispose of the land. At the date of submitting the report for publication there were no objections from the consultation process. This report will be published with an overlap of ten hours before the closure for objections at midnight on 12th February relating to public open space. In the event that objections are received after publication of this report, an update report will be issued and cabinet will be updated at the meeting to allow consideration of objections.

If no objections are received, disposal would take place under the scheme of delegation and this report would be withdrawn.

- 1.3 Under Assistant Director delegated authority, a competitive pilot exercise was undertaken in 2016/17 to bring the site forward for affordable housing, and Registered Provider partners were invited to submit proposals to develop the site. Unity Housing submitted a bid with indicative proposals for 9 affordable homes. At risk they have achieved full planning permission for the scheme and Homes England support for the scheme.
- 1.4 As is standard practice, and in accordance with S123 of the Local Government Act 1972, the proposed disposal of the site deemed 'public open space' was advertised over a two consecutive weeks on 19 and 26 January 2018.
- 1.5 The proposed release of the land would allow the development of the site for much needed affordable housing, which is considered to outweigh the retention of the site. This would help to address housing needs identified in the Strategic Housing Market Assessment and also deliver against council priorities in the Kirklees Economic Strategy and Joint Health and Wellbeing Strategy.
- 1.6 Cabinet is asked to consider these benefits and the merits of any objections to the release of the site before deciding on the disposal of the site. If agreed, this would be at an undervalue as permitted in State Aid regulations, in relation to abnormal costs of site remediation. The council would secure 100% nomination rights on first lets, and 50% thereafter.

2. Information required to make a decision

- 2.1 This 0.36 ha council owned site was advertised in a competitive tender process for the development of affordable housing pursuant to delegated

authority. Unity Housing Association (“Unity”) were the successful bidder. This is a pilot exercise to bring forward council land for Registered Providers of social housing to increase the supply of affordable housing in Kirklees. The site is identified coloured blue on the plan at **Appendix 1** to this report.

- 2.2 At risk, Unity undertook intrusive site investigations to inform the development feasibility, and applied for planning permission for 9 family homes. Full planning permission was granted on 22 December 2017 under reference 2017/92863. Homes England (formerly the Homes and Communities Agency) have confirmed grant funding for the project.
- 2.3 Subsequent to their investigations Unity made an offer of £55,000 for the site. This offer is below Market Value as there are abnormal costs associated with the site. Unity estimates that the abnormal costs are in the region of £190,000. These relate to the made ground and the need to remove material, and undertake foundation works in relation to the depth of made ground.
- 2.4 The Council’s valuation of the site is £120,000. Therefore this transaction constitutes a disposal at an undervalue. Under the Local Government Act: General Disposal Consents (England) 2003 a disposal at less than best consideration is permitted, without the need for Secretary of State consent, when the authority considers the disposal will help it to secure the promotion or improvement of the social well-being of its area and the undervalue is two million pounds or less.
- 2.5 The disposal of the site will bring a much needed additional 9 family homes to be let at Affordable Rent. This will provide access to affordable rented homes without the need for a mortgage. The flexibility of Homes England in supporting this scheme is also helpful, when the Shared Ownership and Affordable Homes Programme focuses on ownership products. The disposal of the site will also realise a capital receipt of £55,000 for the land.
- 2.6 The scheme would also generate new homes bonus, and affordable homes bonus for the council, and secure construction employment. This would help the Council in its work to improve the social and economic wellbeing of the district, and it would help to secure longer term partner investment in social housing to help to address inequality and provide opportunities for families to access new, quality affordable homes.
- 2.7 Proceeds from the sale of this general fund land would form part of the Council’s overall capital resources available to support its approved capital investment plans.
- 2.8 The scheme will also secure nominations for the council, based on 100% on first lettings, and 50:50 thereafter between the council and Unity Housing.
- 2.9 As part of the planning process comments were received from residents stating that the site was used for recreation. As the land may constitute open space, advertisements were placed in the local press on January the 19th and 26th 2018 as required under S123 of the Local Government

Act 1972. The 21 days allowed for representations expired on the 12th February 2018.

Representations

- 2.10 Any objections received are contained at **Appendix 2**.
- 2.11 This section will offer comments on any objections received.
- 2.12 The site has recently secured full planning permission for the development of 9 affordable homes on this site, which will not only help to meet a local need for affordable housing as evidenced in the Strategic Housing Market Assessment (SHMA); it will also help to build economic resilience in the district and meet the core objectives of the Kirklees Economic Strategy and Joint Health and Wellbeing Strategy. The delivery of affordable homes provide longer term stability and support for children's' life chances in having access to a decent, modern affordable home.
- 2.13 The SHMA identifies a need for 1049 new affordable homes per year, whilst development supply is only sustaining around 180-200 units per year. The delivery of these affordable homes will secure a small although important contribution to this pipeline.

3. Implications for the Council

Policy

- 3.1 The Council has historically transferred land to Registered Providers at an undervalue where this will provide social housing.

- 3.2 *Early Intervention and Prevention (EIP)*

From an EIP perspective, these proposed affordable homes do not directly impact on this priority as the units are for general needs. However, enabling access to a safe, warm affordable home plays a part in ensuring that the risk of needing to intervene is reduced.

- 3.3 *Economic Resilience (ER)*

Affordable Housing is an integral part of building Kirklees' Economic Resilience, and securing Kirklees Economic Strategy outcomes. It secures construction employment, local spending and this scheme will help to sustain longer term partner investment. This disposal also secures a capital income for the Council and underlines the relevance of housing and capital receipts for housing land in the ER theme.

- 3.4 *Improving Outcomes for Children*

These affordable homes will help to provide warm, modern accommodation for families who are unable to access a home on the market without intervention. This means that children of households who are otherwise at risk of living in poor quality private sector rented accommodation will have a better start in life.

3.5 *Reducing demand of services*

Developing new, quality homes positively impacts on households' wellbeing and life chances and has a consequent impact on the demands for public services. This scheme also reduces costs for the council in bringing forward housing development by externalising risk and investment from partners.

3.6 *Financial, legal and other implications*

The Council's valuation of the site is £120,000. Therefore if Cabinet agrees to dispose of the site, this transaction constitutes a disposal at an undervalue. Under the Local Government Act: General Disposal Consents (England) 2003 a disposal at less than best consideration is permitted, without the need for Secretary of State consent, when the authority considers the disposal will help it to secure the promotion or improvement of the social well-being of its area and the undervalue is two million pounds or less.

3.7 Prior to the consideration of disposal, the proposals have been advertised as the disposal of Public Open Space under the provisions of S123 of the Local Government Act 1972. Notice was given as required in this Act for two consecutive weeks on 19 and 26 January 2018. Cabinet is asked to make a decision after the expiry of the notice period on 12 February 2018.

4. **Consultees and their opinions**

4.1 *Lindley Ward Members*: No comments received prior to publication.

Cllr Cahal Burke:

Cllr Gemma Wilson:

Cllr Richard Eastwood:

5. **Next steps**

5.1 If Cabinet approve the disposal of the site, the Service Director, Legal, Governance and Commissioning will complete the legal formalities to transfer the land.

6. **Officer recommendations and reasons**

6.1 The matter is being brought to Cabinet for a decision on whether or not to proceed with the disposal of Land at Quarmby Road, Huddersfield.

6.2 Having considered the objections put forward Cabinet has to consider whether to agree to the Lease and subsequent Transfer of the Land to Unity so that the development of 9 homes for Social Housing can proceed. Cabinet must also have regard to whether they are satisfied that the disposal will help it to secure the promotion or improvement of the social well-being of its area as set out in the Local Government Act: General Disposal Consents (England) 2003.

- 6.3 Officers recommend on balance that Cabinet should approve the disposal as the benefits of 9 Social Housing units in Quarmby [Lindley ward] outweigh any benefits of amenity in the open space.

7. Cabinet portfolio holder recommendation

- 7.1 Cllr Graham Turner** (Portfolio: Corporate (Place, Environment and Customer Contact Services): It's an exciting project and we are pleased to be able to work with our new partners, and its hoped that this could be the start of a longer term relationship, to deliver much needed homes in Kirklees.
- 7.2 Cllr Musarrat Khan** (Portfolio: Corporate (Place, Environment and Customer Contact Services): This initiative allows us to bring into use an additional small plot of land that previously was deemed to be unviable in terms of development as well as provide much needed affordable housing.
- 7.3 Cllr Naheed Mather:** (Portfolio: Economy (Strategic Housing, Regeneration and Enforcement): The portfolio holder supports this pilot scheme for 9 affordable homes in the Shared Ownership & Affordable Homes Programme.
- 7.4 Cllr Peter McBride:** (Portfolio: Economy (Strategic Housing, Regeneration and Enforcement): The portfolio holder endorses the officer recommendation.

8. Contact officers

James Hinchliffe, Economic Resilience Project Manager
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9. Background Papers and History of Decisions

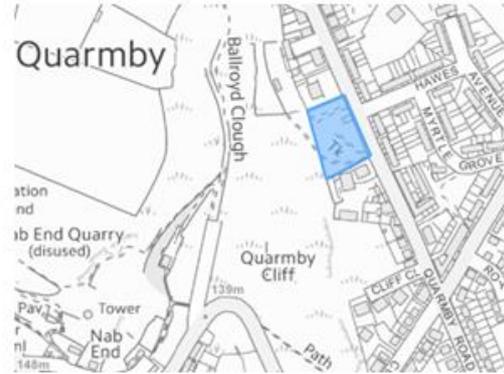
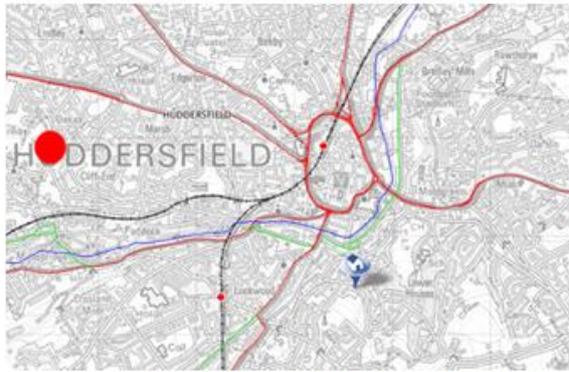
N/A

10. Service Director responsible

Paul Kemp,
Service Director for Economy, Regeneration & Culture

Appendix 1

Site identification plan. Do not scale; for location information.



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Appendix 2

Summary of objections received

(To be added if any are received)