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## Report of the Director of Neighbourhoods & Housing

### Executive Board

Date: 4<sup>th</sup> July 2007

Subject: Disposal at Less Than Best Consideration – Waterloo Estate, Pudsey – for the provision of affordable housing

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**Electoral Wards Affected:**  
Pudsey

**Specific Implications For:**

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In   
(Details contained in the re

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### EXECUTIVE SUMMARY

1. The purpose of the report is to seek approval to dispose of the Waterloo Site, Pudsey, at less than best consideration for the development of 30 new build affordable homes, highlighted on the attached plan, to Yorkshire Housing Association. This scheme will lever in £985,950 of grant assistance from the Housing Corporation's Approved Development Programme.
2. The Council's policy for disposals of land at less than best consideration requires that Executive Board approval is necessary where the proposed value to be foregone on disposal exceeds £100,000. 'Best consideration' means the highest price which could reasonably be obtainable, which is usually that which could have been achieved if the land or property had been advertised on the open market without restrictions as to use etc, which may be imposed by the Council as vendor.
3. If the land was to be marketed without restrictions, because of its proximity to the high value Pudsey area the Development Department has estimated that the open market value of the land would be in the region of £931, 250.
4. The proposed disposal is covered by Consent F of The General Consent under Section 25 of the Local Government Act 1988 for Small Amounts of Assistance 2005.
5. Ward Members views have been sought and included within this report.

## **1.0 Purpose Of This Report**

- 1.1 The purpose of this report is to seek the support from the Executive Board to dispose of the Waterloo site (highlighted on the attached plan) to Yorkshire Housing Association, for the purpose of developing 30 new build affordable homes through the Housing Corporation's Approved Development Programme.

## **2.0 Background Information**

- 2.1 The Waterloo development site is 2.58 hectares (6.4 acres) in size and was created following an option appraisal undertaken by Leeds West Homes (LWH) and Neighbourhoods and Housing in 2003, which recommended demolition and clearance of the unsustainable housing stock, due to high turnover resulting from poor housing design and layout.

- 2.2 Work has been ongoing between West North West Homes Leeds (formerly Leeds West Homes), Development Department and Neighbourhoods and Housing to look at alternative options for the site. These include:

1. Disposal of sites A and C (as shown on the map) at less than best consideration to Yorkshire Housing for 30 affordable housing units (0.6 hectares)
2. Retention of land for two bungalows for supported housing under the city wide Independent Living Project (ILP) (0.13 hectares)
3. Marketing of the remainder of the land within the pilot exercise for low cost home ownership, with the potential for a land swap to provide bungalows on the former Waterloo School site (1.85 hectares)

### **2.3 Yorkshire Housing Association Housing Corporation Bid**

Yorkshire Housing Association has been allocated £985,950 of Housing Corporation funding to deliver new affordable homes on the site. The allocation was announced in March 2006, and is for the construction of 30 affordable housing units. In addition to the 30 affordable units, a further 4 units will be built for outright sale. The scheme includes 22 houses and 12 apartments.

- 2.4 In terms of tenure mix for the 34 properties:

- 2 apartments and 2 houses are for outright sale
- 5 of the houses are for social rent
- 15 houses are for shared ownership
- 10 apartments are for shared ownership

- 2.5 The Housing Corporation rules have recently changed and a condition of the grant is that the Council makes the land available at Less Than Best Consideration, and that the development is on site by summer 2007 for completion by October 2008. Therefore, the disposal of land for this scheme will need to progress in advance of the rest of the site (it was originally envisaged that the grant funded units would be dispersed throughout the entire site redevelopment).

- 2.6 The site has been valued at £931,250 by the Development Department and the grant allocated for the scheme to Yorkshire Housing is £985,950. As part of the Housing Corporation grant regulations, the maximum Housing Associations are allowed to pay Local Authorities for land is £5,000 per plot. Therefore, the capital receipt that the Council would receive in disposing this land to Yorkshire Housing is

only £150,000. However, the benefits in doing so provide the area with much need additional affordable housing, thus delivering the priorities set out in the Affordable Housing Plan and assisting with the regeneration of the Waterloo Estate.

## 2.7 Supported housing scheme (ILP project)

A request from the Independent Living Project (ILP) has been made for a small area of land within this site to be made available for supported housing of people with disabilities. Further work has been done to identify a site for a pair of bungalows which will not interfere with proposals for the overall site. Under the current PFI programme an outline planning application has already had to be submitted to comply with ODPM deadlines, although the construction will not take place until between February 2008 and November 2010. Therefore it is proposed that this site will be excluded from the disposal plans and retained until required.

## 2.8 Low Cost Ownership pilot scheme

In line with the Affordable Housing Strategy, it is proposed that work should be undertaken to bring land forward for marketing as Low Cost Ownership schemes. The remainder of this site, 1.85 hectares (4.58 acres), is part of the 77 acres of Housing Revenue Account land transferred to the Strategic Affordable Housing Partnership to deliver affordable housing, which was agreed by Executive Board in March 2007. It is envisaged that the site be included within the pilot marketing scheme to extend low cost housing opportunities in west Leeds.

2.9 The Strategic Affordable Housing Partnership will oversee the disposal of this site for low cost housing. The site will be offered on the open market to invite schemes for low cost ownership schemes and because of its size, the site could have potential for a range of needs including first time buyers and families.

2.10 Work is also being undertaken on the potential of a partial land swap, between the Waterloo site and the former Waterloo Primary School, which was closed and reprovided on an alternative site as part of the PFI schools project. It is envisaged that this land swap will enable much needed elderly persons bungalows to built on the flatter school site (the Waterloo site is deemed too steep).

2.11 Development Department are compiling a Planning Statement and Development Brief, and will agree to a form of words, through the Strategic Partnership, to be set out in the document which provides guidance as to the type of affordable scheme the Council would seek to deliver on the site (but being mindful that by being too prescriptive, the redevelopment options would be limited). Development Department will then invite interested parties to put forward their proposals/offers.

2.12 This scheme could greatly benefit Leeds City Council by delivering more affordable housing, and working towards the 2010 target to increase the accessibility of home ownership to first time buyers or those on moderate incomes in the area. The use of this site for such a scheme will create a flagship development for the rest of the city, which could be replicated in other areas.

## 3.0 **Main Issues**

3.1 Concerns were raised in March 2007 by the three local ward members about the piecemeal disposal of the Waterloo site, which might have compromised the redevelopment potential of the site. Additionally queries were been raised within Neighbourhoods and Housing and Leeds West Homes regarding Yorkshire

Housing's scheme designs and building concepts (i.e. they are of a unique modern design). However, a series of meetings and briefings were held between the Leader of the Council, Local Ward Members, Strategic Landlord, Development Department, West North West Homes Leeds and Yorkshire Housing, to reach a consensus on the scheme design and the redevelopment of the remainder of the site. Yorkshire Housing, through scheme layout plans, were able to demonstrate how these new 30 affordable units will relate to the existing or future housing. Yorkshire Housing have now submitted the scheme for planning permission.

#### **4.0 Implications For Council Policy And Governance**

4.1 The Affordable Housing Plan was agreed by the Executive Board in November 2006. The current proposal for the Waterloo site is in line with its objectives, but specific approvals are required to secure the grant funding. The Plan relies upon use of the Council's powers to dispose of sufficient land at less than best consideration to maximise the level of investment in Leeds of social housing grant from the Housing Corporation for provision of a range of affordable housing.

4.2 The Council's policy for disposals of land at less than best consideration requires that Executive Board approval is necessary where the proposed value to be foregone on disposal exceeds £100,000. 'Best consideration' means the highest price which could reasonably be obtainable, which is usually that which could have been achieved if the land or property had been advertised on the open market without restrictions as to use etc, which may be imposed by the Council as vendor. Executive Board approval is requested to the principle of disposal at less than best consideration.

#### **5.0 Legal And Resource Implications**

5.1 The proposed disposal is covered by Consent F of The General Consent under Section 25 of the Local Government Act 1988 for Small Amounts of Assistance 2005.

5.2 The freehold of the land was valued at £931, 250 by the Development Department on an open market basis, as required by the relevant statutory regulations.

5.3 Yorkshire Housing have received an allocation of Social Housing Grant from the Housing Corporation, as part of the 2006/08 Approved Development Programme, of £985,950 to develop 30 new affordable units. The balance of funding is being financed by Yorkshire Housing through borrowing.

#### **6.0 Conclusions**

6.1 If the site was to be marketed without restrictions, because of its proximity to the high value Pudsey area, the Development Department has estimated that the open market value would be in the region of £931, 250.

6.2 However, in consideration of the benefits to be brought by the schemes proposed by Yorkshire Housing in delivering much needed affordable housing to the area, and delivering on the objective contained within the Affordable Housing plan, it is recommended that the Council's policy for disposals of land at less than best consideration be utilised, and the site be disposed of to Yorkshire Housing at £5,000

per plot (£150,000) as stipulated by the grant requirements through the Housing Corporation.

## **7.0 Recommendations**

Executive Board is requested to approve the principle of disposing of the subject site on the Waterloo Estate, highlighted on the attached plan, to Yorkshire Housing at £5,000 per plot (less than best consideration), subject to approval by the Director of Development, in order to deliver 30 new affordable homes, through Housing Corporation Grant.