

Report of: Housing Growth Team

Report to: Director of City Development

Date: August 2015

Subject: Disposal of sites for the development of Affordable Housing.

Are specific electoral wards affected? If 'yes', name(s) of ward(s): - Beeston & Holbeck	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity or cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for call-in?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If 'yes', access to information procedure rule number: 10.4 (3) Appendix number: 1	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

1. Expressions of interest (EOI) were invited in April 2015 from Registered Providers (RPs) on a number of sites which were identified for development of Affordable Housing via the Housing Investment Land Strategy process.
2. An evaluation panel comprising of officers from Land and Property, Regeneration, Planning, Highways and Housing Services have considered the EOI's received. The confidential appendix that accompanies this report details the bids received.
3. A further report will be submitted to the Director of City Development recommending terms for approval of individual Heads of Terms to formally dispose of the sites in due course.

Recommendations

4. It is recommended that the Director of City Development approves entering into one to one negotiations with selected RPs to develop the sites for Affordable Housing at Parkwood Road, Beeston and Wyther Park, Bramley.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval to enter into one to one negotiations with the preferred RPs to negotiate terms for the disposal of sites identified.
- 1.2 The marketing and disposal of the subject sites was based on less than best consideration terms of £1,000 per plot.

2 Background information

- 2.1 Executive Board in April 2014 approved a recommendation to market the subject sites to RPs for the development of Affordable Housing.
- 2.2 This report also approved delegated powers to the Director of City Development to identify and market further sites to support the delivery of Affordable Housing.
- 2.3 RPs were invited to submit EOI's for 4 sites in April 2015, the subject sites being Raynville Crescent, Former Parkwood Road Garage Site, Limewood Approach & Kentmere Avenue at less than best consideration of £1,000 per plot.
- 2.4 RPs were asked to include within the EOI the following information
 - An indicative scheme layout
 - Proposed number/size/type of units
 - Tenure mix and rent levels
 - Details on strategic fit with the organisation's asset management and investment strategy
 - Details on how the scheme fits with the Leeds Standard principles
- 2.5 The use of Right to Buy Replacement Programme funding to facilitate the development and membership of the Leeds Affordable Partnership Register where also considered to be essential assessment criteria.

3 Main issues

- 3.1 The council received 18 EOI from RPs across the 4 sites.
- 3.2 An Evaluation Panel comprising of officers from Land and Property, Regeneration, Planning, Highways and Housing Services have considered the EOI received. The confidential appendix that accompanies this report details the bids received.
- 3.3 As the Kentmere Avenue and Limewood Approach sites are considered within the draft Seacroft Neighbourhood Framework document, the decision has been taken to postpone the evaluation of these EOI's until the framework has received the relevant approvals.
- 3.4 Subject to the recommendations within the report being approved negotiations will be undertaken with the selected RPs on the 2 subject sites.
- 3.5 A further report will be submitted to the Director of City Development to seek approval to the recommended terms for disposal.

4 Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Local Ward Members were consulted in 2014 and again in July 2015 on the proposal to develop Affordable Housing on the subject sites and are all supportive of the proposals. This is with the exception of Cllr A Smart who has not yet responded.
- 4.1.2 Further consultation will be undertaken with respective Ward Members on the proposed developments as part of the site disposal & planning process.

4.2 Equality and diversity, cohesion and integration

- 4.2.1 As the proposed recommendations will deliver Affordable Housing it is envisaged that the developments will have positive implications for equality groups who are economically disadvantaged
- 4.2.2 The Council will receive 100% nomination rights on first allocation of all units and 75% on subsequent allocations.

4.3 Council policies and the Best Council Plan

- 4.3.1 The proposed development of the subject sites helps to maximise Housing Growth, which is a priority in the Best Council Plan and one of the councils Breakthrough Projects.
- 4.3.2 The proposed development also helps to increase the number of new homes built which helps the council achieve its Core Strategy targets.

4.4 Resources and value for money

- 4.4.1 Executive Board at its April 2014 meeting approved the delegated authority to the Director of City Development to market Affordable Housing sites at less than best consideration.
- 4.4.2 These subject sites have been marketed at less than best consideration on £1,000 per plot basis
- 4.4.3 The development of the subject sites will generate New Homes Bonus with the affordable housing uplift as well as additional Council Tax revenue.
- 4.4.4 Disposal of the sites will also release the council from future grounds maintenance responsibilities on the sites.
- 4.4.5 Negotiations will be undertaken with the preferred RPs to develop the scheme. A further report will then be submitted to the Director of City Development detailing the outcome of these negotiations and will seek approval to the recommended terms for the disposal for the sites.

4.5 Legal implications, access to information and call-in

- 4.5.1 The proposal constitutes a significant operational decision and is therefore not subject to call in.
- 4.5.2 Under Part 3 Section 3E Paragraph 2(a) of the Council's Constitution (Officer Delegation Scheme (Executive Functions)) the Director of City Development has authority to discharge any function of Executive Board in relation to the management of land (including valuation, acquisition, appropriation, disposal and any other dealings with land or any interest in land) and Asset Management.

4.5.3 The information contained in the confidential appendix 1 to this report relates to the financial or business affairs of a particular person, and of the Council. This information is not publicly available from the statutory registers of information kept in respect of certain companies and charities. It is considered that since this information was obtained through Expressions of Interest in the property/land then it is not in the public interest to disclose this information at this point in time. Also it is considered that the release of such information would or would be likely to prejudice the Council's commercial interests in relation to other similar transactions in that prospective purchasers of other similar properties would have access to information about the nature and level of consideration which may prove acceptable to the Council. It is therefore considered that this element of the report should be treated as exempt under Access to Information Procedure Rule 10.4 (3)

4.6 Risk management

4.6.1 This report seeks approval to enter into one to one negotiations with RPs.

Disposal of land at less than best consideration is state aid. If a disposal is not compliant with the state aid regime, there is a risk of a challenge, which may have financial and reputational consequences for both the Council and the registered provider. However, the allocation of funding for provision of social housing is a service of general economic interest (SGEI) and this will not be unlawful state aid provided that certain criteria are met. The agreement for disposal must be structured so that the registered provider is required to provide affordable housing and to ensure that there will be no overcompensation, clawback provisions will need to be incorporated

4.6.2 A further report will be submitted to the Director of City Development that will seek approval to the terms for any disposal. This future report will also demonstrate any further risks.

4.6.3 Officers from the Housing Growth Team will support the RPs through the planning process.

5 Conclusions

5.1 The council received 18 EOI from RPs across the 4 sites.

5.2 An evaluation process has been undertaken to determine a preferred RP to develop the sites detailed in the confidential appendix one.

5.3 Approval is sought to move forward to the next stage in the process and to enter into negotiations with the RP's as set out below.

Site Name	Selected RP
Former Parkwood Road Garage Site, Beeston	Unity HA
Former Wyther Park Community Centre, Bramley	Habinteg.

6 Recommendations

- 6.1 It is recommended that the Director of City Development approves entering into one to one negotiations with selected RPs to develop the sites for Affordable Housing at Parkwood Road, Beeston and Wyther Park, Bramley.

7 Background documents¹

- 7.1 None.

¹ The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.