



Report of: Council Housing Growth Team

Report to: Director of Resources & Housing

Date: 27th February 2020

Subject: Oldfield Lane Site Acquisition – Approval to Spend

Are specific electoral wards affected? If yes, name(s) of ward(s): Farnley & Wortley	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: 10.4 (3) Appendix number: A	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary

1. Main issues

- The Council Housing Growth Programme (“CHGP”) has set itself a challenging target to deliver a minimum of 300 new council homes a year going forward on an ongoing basis as part of our direct contribution to an overall affordable housing target of 1,230 homes p.a. across the city from 2019.
- A Key Decision was taken by Executive Board in November 2018 which approved council plans to bring forward 7 new build council housing schemes, including one at the subject site at Oldfield Lane.
- Executive Board approved the associated investment and delegated the decision regarding the final funding mix for each scheme, and authority to procure & award contract for each scheme to the Director of Resources and Housing.
- Executive Board also delegated the associated decisions on disposal of council land / acquisition of private land to facilitate these schemes to the Director of City Development.
- Approval to acquire Oldfield Lane was granted by the Director of City Development on 20th December 2019.
- The programme is now almost ready to exchange contracts to acquire the subject site, upon the terms set out in **Confidential Appendix A** due their commercial sensitivity.

- This report requests Approval to Spend for the associated acquisition costs from the Director of Resources and Housing.

2. Best Council Plan Implications

- The delivery of affordable housing underpins the council's ambition for Leeds as a Strong Economy and a Compassionate City.
- The Best Council Plan includes targets around increasing the number of new affordable homes and supporting sustainable growth. The proposed housing scheme will contribute to:
 - ensuring everyone in Leeds lives in good quality, affordable homes within clean and well cared for places;
 - provision of housing of the right quality, type, tenure and affordability in the right places;
 - ensuring the right housing options are available to support older and vulnerable residents to remain active and independent; and
 - tackling fuel poverty.
- In aspiring to be the 'Best city in the UK', the Core Strategy also takes forward the spatial and land use aspects of the Vision for Leeds, City Priority Plans and the Best Council Plan (in particular, Objective 2: to 'Promote sustainable and inclusive economic growth').

3. Resource Implications

- In November 2018, Executive Board approved an investment of c£55m to deliver 7 schemes, including the scheme at Oldfield Lane.
- On 27th February 2019, Full Council approved a further injection of £90.9m into the Council Housing Growth Programme. The Council House Growth programme now has total approved funding available of £221m, which includes the funding required for the Oldfield Lane development.
- The development at Oldfield Lane will be funded from capital scheme 33103/OLD/000, via a combination of either retained Right to Buy receipts or Homes England Grant funding, blended with HRA borrowing.

Recommendations

The Director of Resources and Housing is requested to:

- a) Authorise the required expenditure to enable the programme to exchange contracts on the subject site at Oldfield Lane, upon the terms detailed in **Confidential Appendix A**. These acquisitions to be funded from the Council Housing Growth Programme budget, via a combination of either retained Right to Buy receipts or Homes England Grant funding, blended with HRA borrowing.
- b) Note that approval has been granted by the Director of City Development for the acquisition for Housing & Resources, in order to facilitate the delivery of new council housing.

1. Purpose of this report

- 1.1 The purpose of this report is to seek Authority to Spend from the Director of Resources and Housing to enable the council to exchange contracts for the acquisition of the subject site at Oldfield Lane, for new build council housing.

2. Background information

- 2.1 The proposed council housing development at Oldfield Lane, will utilise a parcel of vacant land which is part in council ownership and part in private ownership.
- 2.2 The private land owner is the Leeds Schools Sports Association (LSSA), and the council owned land is also leased to the LSSA and the two parts of the site were historically used in conjunction as sports pitches, operated by the LSSA. However the site has stood vacant for over 13 years and the LSSA decided to dispose of their asset to raise funds to continue their operations to provide sporting activities throughout Leeds. The lease is to be surrendered, and the council intends to acquire the freehold from LSSA.
- 2.3 The overall site is allocated for housing within the Site Allocations Plan (phase 1 Housing Allocation (HG2-84) for 61 units).
- 2.4 Since the publication of the November 2018 Executive Board report detailing the council's proposals to bring forward a new council housing development at Oldfield Lane, there has been some local objection to the sale of the LSSA land for housing. The opposition relates to the allocation of land for housing, and the council's intention to purchase the land for the development of such. This opposition has resulted in the formation of an action group known as 'Save the TV Harrison Sports Ground' (The Oldfield Lane Site). The group outlined their objections in a deputation to Full Council on the 11th September 2019. It was resolved that the deputation be referred to the Director of City Development for consideration in consultation with the relevant Executive Member. The response to the Deputation was published on the 7th November 2019.
- 2.5 In 2005, as a result of ongoing vandalism and deterioration, the changing rooms located on the LSSA land were demolished by the council. The debt associated with the works was secured by a land charge. This charge is to be paid through the HRA account as part of the wider scheme costs, in addition to the purchase price.
- 2.6 A declaration will be sought from the LSSA confirming that the transaction is compliant with Charity Commission Regulations prior to acquisition. A title review has revealed that there are no restrictive covenants preventing the development of the LSSA land. A title review of the council element of the site has revealed a restrictive covenant preventing the development of parts of the site. The purpose of the covenant was to ensure that the land remains unbuilt upon for an intended use as roads. Given that the beneficiary of this covenant is the LSSA land, when the council acquires the land, it will also acquire the beneficiary interest, and Legal Services have advised that it is therefore not necessary to seek a release.
- 2.7 In terms of local social housing supply and demand, within the Farnley & Wortley ward the council currently has approximately 2,400 council properties. Turnover of available properties is reducing year on year; 177 homes were allocated in 2018/19 and the council expects to allocate approximately 150 during 19/20. Demand locally

is very high with almost 600 families awaiting housing in the area as their first choice, of which 112 have Band A or A+ priority.

- 2.8 Currently this includes 82 families with dependent children who have been awarded the highest level of priority as a result of either living unsatisfactory accommodation, requiring homes that can be adapted to meet their disabilities or being homeless. A further 21 families have also been awarded a moderate priority award to assist them in obtaining more suitable homes.
- 2.9 Average waiting times for families with Band A priority are c2 years for a 2 bedroom home and 1.5 years for a 3 bedroom property (assuming no other applicants in the city change their first choice and no further Band A Plus cases are added to our register for this Ward).
- 2.10 The proposed housing development has been defined in close consultation with Housing Leeds to ensure it is aligned to meeting local demand for social housing, and it will provide desperately needed additional family homes to contribute to meeting local shortfalls.

3. Main issues

- 3.1 Acquisition of the site was approved by the Director of City Development on 20th December 2019.
- 3.2 The programme is now ready to exchange contracts, upon the terms set out in **Confidential Appendix A** due their commercial sensitivity.
- 3.3 This report requests Approval to Spend for the associated acquisition costs from the Director of Resources and Housing.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Local Ward Members have been consulted about the site development proposals on a number of occasions and provided with updates in relation to proposals for the Council to acquire the part of the site owned by LSSA. The most recent meeting took place in January 2020. Members are opposed to development of the site for housing, although they acknowledge its status under the Site Allocations Plan (SAP). As part of the SAP consultation process in 2013, 13 comments were received, of which 9 opposed the allocation.
- 4.1.2 Although still opposed, officers have advised local members in relation to green space improvements which could be delivered both within the scheme boundary and also in the wider Farnley & Wortley ward area using the planning contributions from the scheme.
- 4.1.3 A deputation from a group known as 'Save the TV Harrison Sport Ground' (the Oldfield Lane site) was heard by Council on 11th September 2019. The council published a response to the deputation on 7th November 2019.
- 4.1.4 The report recommended that the Director of City Development;
 - a) Note the content of the report in response to the deputation heard on September 11th September 2019.

- b) Considers and approves the proposed response to the points made in the deputation;
- c) Note the planning status of the site as allocated for housing within the SAP and Executive Board's continued support for the site to be developed as part of the Council Housing Growth programme
- d) Recommend to the Deputy Leader and Executive Member for consultation and approval.
- e) Continue to work with Ward Members and other Council Departments to identify where existing facilities can be improved and how such works can be funded.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 It is not considered that the acquisition of the site per se has any implications for Equality and Diversity, cohesion and / or integration.
- 4.2.2 An Equality and Diversity screening will be undertaken for the overall housing scheme proposals once they have been further developed.

4.3 Council policies and the Best Council Plan

- 4.3.1 See above.

4.3.2 Climate Emergency

All of the homes being delivered via the Council Housing Growth Programme will be built to the Leeds Standard specification which focusses on cutting carbon, improving air quality and tackling fuel poverty and which will play a key role in ensuring excellence in delivery through design quality, space standards and energy efficiency standards. It sets out challenging targets for our contractors to meet in terms of carbon emissions for these new homes.

4.4 Resources, procurement and value for money

- 4.4.1 The Head of Land and Property has confirmed that in his opinion the terms offered to the Council represent a fair market value for the site.

4.5 Legal implications, access to information, and call-in

- 4.5.1 This a Significant Operational Decision and as such is not eligible for call in.
- 4.5.2 The information contained in **Appendix A** attached 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 one to one negotiations for the acquisition of the 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 sellers 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 considered that whilst there may be a public interest in disclosure, much of this information will be publicly available from the Land Registry following completion of this transaction and consequently the public interest in maintaining the exemption outweighs the public interest in disclosing this information at this point in time. It is therefore considered that this element of the report should be treated as exempt under Rule 10.4.3 of the Access to Information Procedure Rules.

4.6 Risk management

- 4.6.1 The overarching Council Housing Growth Programme is being delivered using the council's agreed project management methodology and programme and scheme specific risk logs will be maintained and risks managed, monitored and escalated through the governance process as necessary.
- 4.6.2 Delivery of the proposed council housing scheme at Oldfield Lane will contribute to mitigating one of the council's corporate risks around failure to meet additional housing supply targets and the consequent lack of homes for people in Leeds.
- 4.6.3 The risks specifically associated with the recommendation to acquire the land are detailed within **Confidential Appendix A**.

5. Conclusions

- 5.1 It is concluded that the acquisition of the subject site represents value for money, and that the acquisition and development of the site for new council housing will contribute to delivering an increase in supply of high quality, genuinely affordable homes to meet current and predicted localised gaps in affordable housing provision in the city of Leeds, in line with Best Council Plan targets around housing.

6. Recommendations

- 6.1 This report recommends that the Director of Resources and Housing:
 - a) Authorise the required expenditure to enable the programme to exchange contracts on the subject site at Oldfield Lane, upon the terms detailed in **Confidential Appendix A**. These acquisitions to be funded from the Council Housing Growth Programme budget, via a combination of Housing Revenue Account (HRA) borrowing blended with either retained Right to Buy receipts or Homes England Grant funding.
 - b) Note that approval has been granted by the Director of City Development for the acquisition for Housing & Resources, in order to facilitate the delivery of new council housing.

7. Background documents

- 7.1 None

- Appendix A – Confidential Appendix