

Land at former Copperfields College, Cross Green Lane, Cross Green, LS9

Date: 18 October 2022

Report of: Head of Asset Management

Report to: Chief Officer Asset Management and Regeneration

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the City's and council's ambitions

- The report seeks to have the subject site declared formally surplus to requirements and to obtain approval to the invitation of offers to purchase the subject site for development for affordable housing.
- The proposal is to invite offers for the subject site by informal tendering to Registered housing providers only, to acquire the site, solely for development for affordable housing which meets the requirements of the Strategic Housing Market Assessments (SMHA) for the location and which provides a minimum of 60% of units as social rented product.
- The intention is to promote a development for the site which meets this requirement whilst potentially generating a capital receipt from a sale of the site. Separate discussions are to be promoted with bidders around engagement with both Homes England and the Council around any viability issues and potential grant support need.
- The subject site abuts further land long leased to the Council from Wades charity held subject to a restriction to keep the area only as open space.
- It is acknowledged that this may lead to a receipt and a selection of a bid which is not the highest available and may result in advancing a winning proposal at less than best financial consideration; in that event the required process for doing so will be adhered to as appropriate.

Recommendations

- a) The Chief Officer Asset Management and Regeneration is recommended to:
 - declare the subject site surplus to the requirements of the Council.
 - approve the invitation of financial offers for the purchase of the site.

- approve the invitation of offers from Registered Providers, on the basis of a contractual requirement to develop the site for 100% affordable housing targeting housing need which improves on policy level sustainability measures in line with the criteria outlined above.

Why is the proposal being put forward?

- 1 No operational reason has been identified to justify retention of the land and therefore a disposal supports efficient asset management whilst presenting the opportunity to potentially generate a capital receipt in support of the Council's expenditure programme whilst also supporting housing delivery in the city. The site is allocated for housing under the adopted Site Allocations Plan (with supporting greenspace).
- 2 A need has been identified for increased affordable housing provision in the area and so this site is seen as both an opportunity to both potentially support capital receipt delivery and the opportunity to seek bids which maximise on the provision of tenure types which optimise on affordability.
- 3 In January 2020 Housing Growth Board considered the site and gave support to a proposal to dispose of the site ring fencing the opportunity to Registered Providers to develop the site for 100% affordable housing on the basis of achieving a capital receipt for the site given the inclusion of the site in the capital receipts programme. There is however a preference to maximise social rented tenure types in this area, and affordability in line with the needs detailed in the SHMA, which will also act to reduce pressure on the Leeds Housing Register. It is proposed that this site is taken forward on the basis of proposals optimising on affordability and with a minimum provision of 60% of units being provided on a social rented basis also with a desire to also improve on policy levels of sustainability measures.
- 4 To achieve this it is proposed that, the offer be ring-fenced to Registered Providers only with bidders requested to:
 - provide their best financial offer to acquire the site
 - details of scheme proposed and tenure mix proposed to fulfil the affordable housing need and requirements as identified above.
 - details of sustainability measures proposed.
 - the level of Home's England grant funding required to support their proposal
 - details of any other conditions around their offer.
 - other funding availability
- 5 The housing component of the overall Copperfield's ownership compliments proposals for a new school to be built on adjacent land (shown Y) on plan 16150/AA following the transacting of this area last year through the Education Funding Agency.
- 6 The subject site is identified in the Council's Capital Receipts programme as reported to Executive Board in February 2022.
- 7 In considering the extent of the site to be offered for disposal, discussions have taken place with Wades Charity regarding the potential to include part of their land, which is leased to

the council for use as open space (shown as site X on plan 16150/AA). This was on the basis that any loss of that open space which was utilised to accommodate additional development would be re-provided within proposals for the main site. This however would require a release of the land from the lease and a transfer of the freehold to the Council at nil cost and without restriction to avoid both further financial impositions on a site likely to require subsidy and to provide a robust and secure interest in the land for bidders to formulate proposals incurring related costs.

- 8 Timescales involved in agreeing and securing this position sufficient for the Council to offer the additional land will mitigate against existing tight timetables for securing a developer and delivery of houses on the site required by WYCA as a condition to their release of substantial funds to re-provide existing playing pitches on the housing site. This process may also require approvals from the Charity Commission to Wades and it is not clear that such a transaction will be available at a nil cost to the Council. Legal Services concur that this is not likely to be achievable quickly.
- 9 In these circumstances it is not proposed to delay marketing of the site, which requires presentation of a robust position from the Council on land it controls, leaving potential for improved scheme interface with the leased public open space available within the Council's existing ownership.
10. In taking forward the site on the basis outlined in paragraph 4 it is to be noted that this may result in bids being advanced which do not represent best financial consideration for the site. In that event, the required process for doing so will be adhered to as appropriate.

What impact will this proposal have?

Wards Affected: Burmantofts and Richmond Hill

Have ward members been consulted?

Yes

No

- 10 A successful disposal will see the redevelopment of a brownfield site to support the Council's affordable housing delivery objectives whilst also generating a capital receipt for the Council in line with the aspirations of Housing Growth Board. As an affordable housing development the proposal this will also leverage in WYCA Brownfield Housing Funds to re-provide playing pitches existing on part of the site to provide renewed facilities on adjacent Council land as identified Z on plan 16150/AA. It is expected that to deliver 100% affordable housing across the site at maximum affordable levels bidders will therefore leverage in financial support from Homes England.
- 11 This proposal is in line with the Affordable Housing Partnership Delivery Plan which was approved at Executive Board in September 2022 setting out a series of themes in which to support increased delivery of affordable housing across the city.

What consultation and engagement has taken place?

- 12 Ward Members have been consulted on proposals for the site and a proposed sale for affordable housing development and have not raised any concerns or objections to the proposal. One Ward Member, recently elected, has raised some queries with respect to the proposed disposal which have been addressed and who is to be provided with a broader update on the overall proposals for the whole Copperfield's ownership separately.

- 13 The Executive Member for Infrastructure and Climate has also been consulted and has raised no concerns or objections to the proposal.

What are the resource implications?

- 14 The proposal is to invite offers and proposals aligned with meeting affordable housing need on the basis of potentially generating a capital receipt to the Council. The Council is proposing to offer the site by inviting proposals which address affordable housing need to meet needs in the Council's Strategic Market Housing Need provide 100% affordable housing, a minimum of which will be at 60% social rented tenure mix.
- 15 The Council is seeking independent market valuation advice for the site to aid evaluation of offers, once received, to enable consideration of potential bids which may be at less than best consideration.

16 What are the legal implications?

- 17 Under Part 3, Section 3E(g) of the Council's Constitution (Officer Delegation Scheme (Executive Functions)) the Director of City Development has authority to discharge any function of the Executive in relation to Asset Management.
- 18 The Chief Officer Asset Management and Regeneration, Head of Asset Management and Deputy Head of Land and Property have authority to take decisions in relation to Asset Management as delegated in the Director of City Development's sub delegation scheme.
- 19 The subject site was included in a list of sites detailed in a report approved at Executive Board in February 2022. This set out sites to be included in the Capital Receipt Programme and this was taken as a Key Decision. The proposal constitutes a Significant Operational Decision that flows from the February 2022 Key Decision and is therefore not subject to call in. In addition, the site was referenced in the Executive Board Paper titled 'Leeds Affordable Housing Growth Partnership Action Plan' of September 2022 and the recommendation herein is in line with that paper.

What are the key risks and how are they being managed?

- 20 There is a risk that marketing of the site will attract bids conditioned on receipt of Homes England grant funding and a likelihood that offers will be conditioned around receipt of planning permission. This however is not uncommon for housing developments particularly affordable housing developments. This risk however will be managed at bid evaluation stage with bidders requested to actively and separately engage with Homes England and the Council around grant funding requirements and feedback obtained from Planning Officers on scheme proposals submitted.
- 21 Part of the site is affected by existing playing pitches which require replacing, as a planning and Sport England requirement, in order to realise the housing potential of the site. External grant funding is being sought from the Brownfield Housing Fund to facilitate this and which would serve to remove a significant abnormal cost to developing the site increasing viability and reducing associated risks if successful. This replacement is to take place on the area indicated Y on plan.
- 22 The area shown X on plan is an area of adjacent tree covered open space which is potentially available for improvement with s106 monies arising from the eventual developer as a condition of any planning consent. This serves to remove ambiguity about on-site

provision and its consequent potential impact on developable area by leaving a clear development footprint for housing provision.

Does this proposal support the council's 3 Key Pillars?

Inclusive Growth Health and Wellbeing Climate Emergency

- 23 The proposal is to invite offers for the sites solely for housing development incorporating 100% affordable housing proposals which maximise on affordability and sustainability measures and to achieve a capital receipt. The provision of new affordable homes is in line with inclusive growth ambitions and support health and well-being outcomes.
- 24 The site forms part of the site of the former Copperfields' School site. This is a brownfield site and therefore its development will help to alleviate development pressures on greenfield sites elsewhere giving support to environmental objectives of the Council. The proposal will potentially enable enhancements to adjacent tree covered Council land (shown X on plan) as part of planning determined public open space requirements to support the housing development. It should be noted that this area is not proposed for transfer to the successful bidder.
- 25 Any scheme advanced for the site will require full planning consent. Through the planning application process environmental and climate change issues will be examined in the normal manner however the proposal here is to seek proposals which advance schemes with sustainability measures in excess of Building Regulation requirements.

Options, timescales and measuring success

a) What other options were considered?

- 26 The Council could retain the land however in the absence of an identified reason for retention this leaves the Council holding an asset without justification and so would neither achieve a capital receipt from its sale nor the benefits of supporting new affordable housing development in the city. The Council would also lose substantial funding potentially available to provide renewed playing pitches on adjacent land with funding for this linked to development of the subject site for housing.
- 27 The Council could seek to invite financial offers on an unrestricted basis however this would not lead to proposals coming forward likely to maximise on the affordable product / tenure required from the winning bidder. It would not meet Housing Growth Board's aspirations for the site.

b) How will success be measured?

- 28 Success will be measured by the selection of a successful bidder, following bidding, who is able to fund a site acquisition at a capital receipt, and obtain full planning permission for their 100% affordable housing proposal and complete the purchase and development of the site with financial support, as necessary, to maximise on affordability.

c) What is the timetable for implementation?

- 29 The implementation of a marketing strategy seeking bids for the site, with the benefit of a planning brief setting out planning guidance for the site, would be commenced on receipt of any approval to the proposal of this report and receipt of final and formal confirmation of WYCA Brownfield Land funding availability for existing on- site pitch replacement. Marketing is proposed for a period of eight/nine weeks which would secure bids by early

Spring 2023 with scheme and bid evaluation following, and with solicitors potentially being instructed in early summer 2023 in respect of contract work. This would be followed by a period of c. nine months for the successful bidder to achieve planning consent and Homes England grant funding.

Appendices

30 Site plan no.16150/AA indicating the extent of the development site.

Background papers

31 None