

Capital Funding-Playing Pitch Provision in Association with Housing Development, Part Former Copperfield's College Site, Cross Green Lane, LS9

Date: 1 December 2023

Report of: Land and Property

Report to: Director of City Development

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Confidential Appendices Under Access to Information Rule 10.4.3

Brief summary

The Chief Officer Asset Management and Regeneration approved the marketing of the housing development site (shown as area A on plan), on 28 October 2022, declaring the site surplus to Council requirements, ring fencing the site for disposal to the Registered Provider housing sector, and inviting financial offers and proposals to purchase and develop the site for 100% provision of affordable housing only. This decision was taken as a Significant Operational Decision following an earlier Key Decision taken by Executive Board which included the site within the capital receipts programme for disposal,

The housing site(A) has been marketed inviting proposals and bids on that basis with a requirement for proposals to incorporate a minimum of 60% of units proposed being of a social rented affordable housing tenure type to reflect the Strategic Housing Market Assessment (SMHA) targets across the City. Confidential Appendix 1 of this report provides details of the preferred bidder and their bid approved by the Chief Officer Asset Management and Regeneration (on 24th November 2023).

As a part of these proposals there is a town planning requirement to replace an existing on - site playing pitch to enable development of the site. This requires that the Council forward funds and commits to commencing and delivering the replacement pitches (to be constructed on adjacent Council land as shown approximately on plan as areas B and F)) to align with anticipated timescales for completion of the development site sale and a start on site. The Council will be required by the preferred bidder to enter into contractual sale obligations with the bidder around delivery of the pitch works to meet these timescales and commitments so that once conditions associated with the housing development site(A) sale are fulfilled the site sale can be completed free of planning encumbrances relating to that pitch re-provision.

This report sets out the basis of the previously approved bid and preferred bidder and reports on the replacement infrastructure (playing pitches) required to be constructed to enable development of the housing site(A). The report sets out proposals and seeks approval for a release of funding to front fund the construction of these pitches recoverable, in time, from the sale receipt generated from a sale of site (A).

Recommendations

That the Director of City Development approves funding from the existing City Development Capital Programme to front fund pitch works which will be recoverable upon completion of the sale of the housing site (A) in connection with playing pitch provision and authorises the incurring of the expenditure up to the amount specified in the Confidential Appendix 1 of this report.

What is this report about?

- 1 Confidential Appendix 1 of this report presents, (for information only), the selected offers received to purchase and develop the housing site (A) for affordable housing from Registered Providers arising from the previously approved marketing, in outline in table 1, with that of the selected preferred bidder and bid also more fully detailed in table 2. The report considers the estimated financial impact of the town planning requirement to re-provide existing playing pitches affecting the housing site (A) to enable its development for housing.
- 2 The purpose of this report is to seek approval to fund the scheme from the existing City Development Capital Programme to front fund the pitch works which will be recoverable upon completion of the sale of the housing site (A) and to incur the expenditure detailed for the pitch re-provision outlined in Confidential Appendix 1. This will permit the Council to enter contractual commitments with the selected preferred bidder/developer for the housing site to deliver the pitches consistent with anticipated timeframes for the housing development and planning determined delivery timescale requirements.
- 3 The selection of the preferred Registered Provider developer for the housing site(A) is not the subject of this report.

What impact will this proposal have?

- 4 The successful sale and development of the housing site(A) would see the development of the eight- acre site for a 100% affordable housing development supporting City Council affordable housing delivery objectives and fund the creation of a new grassed sports playing pitch and a training area on adjacent Council owned land to replace an existing grass pitch affecting and currently preventing development of the housing site(A).
- 5 The sale and development of the housing site(A) and playing pitches constitutes the next phase of developing the former Copperfield's school site following the adoption of a masterplan for the whole site which incorporates proposals for a new Special Education Needs (SEN) school (shown on plan as area C), plans for small scale retail development (shown approximately on plan as area E), a replacement playing pitch and training area (shown B and F on plan) and potential for improving existing wooded open space abutting the housing site (shown on plan as area D). The school development is now under construction by the Department of Education with a supported academy.
- 6 The regeneration of the former Copperfield's College site is part of the Aire Valley Leeds Area Action Plan.
- 7 A single hybrid planning application is proposed for submission shortly seeking outline planning consent to develop the housing site(A) for housing, for retail development on the area indicated (E) and full consent for the playing pitches on area (B) and (F).
- 8 The housing site (A) is within the Council's capital receipts programme for which there is an expectation of a capital receipt to be generated from its sale. The site has previously been considered at Housing Growth Board at which time support was given to ring fencing a disposal

for a 100% affordable housing scheme on the basis that the sale would generate a capital receipt.

- 9 A need was identified for increased affordable housing provision in the area and so this site is seen as both an opportunity to both support capital receipt delivery and the opportunity to seek commercial levels of bid whilst seeking to maximise on the provision of tenure types which to optimise on affordability.
- 10 This support was endorsed by the Chief Officer Asset Management and Regeneration approving the invitation of offers from this sector on 28 October 2022.
- 11 The proposal takes forward the next phase of the regeneration of the former Copperfield's College site, will support delivery of a 100% affordable housing development scheme and new replacement playing pitch provision, whilst also generating a capital receipt to the Council. This supports a number of Best Council Plan objectives relating to affordable housing delivery objectives, with the new playing pitch also supporting health and well-being outputs. A disposal at a financial consideration will also support the Councils spending programme and its financial position.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

- 12 On successful sale the housing site(A) will be developed for new affordable housing incorporating social rented housing providing modern housing in an area characterised by dated housing stock. In combination with the replacement playing pitch facility this will support health and well-being outputs and will see houses built to modern standards of energy efficiency considered at the full planning application stage.

What consultation and engagement has taken place?

Wards affected: Burmantofts and Richmond Hill

Have ward members been consulted? Yes No

- 13 Ward members have been consulted with respect to a marketing of the housing site(A) for a 100% affordable housing development and the master planning of the overall Copperfield's college site including the pitch proposals and are supportive of the proposals. The Executive Members for Resources and the Executive Member for Housing have been consulted and are supportive of the proposal.
- 14 Public consultation is also proposed as part of the pre-planning application process for the hybrid planning application referenced in paragraph 7 above and will also be available as part of any reserved matters application coming forward for the housing development.

What are the resource implications?

- 15 A disposal of site (A) for development will alleviate the Council of any ad hoc maintenance costs that maybe associated with continuing to hold the asset.
- 16 A sale of the asset will generate a substantial capital receipt to the Council providing financial support to its capital spending programme.
- 17 Whilst new (ie replacement) playing pitch provision within the former Copperfield's site is an aspiration of the masterplan there remains, in planning terms, as a pre-condition a requirement to the development of site(A) that the existing on-site pitch is replaced. As supporting infrastructure and an otherwise required planning obligation to the housing development this is

a cost to the development to be conditioned through any consent and would otherwise be funded, indirectly through a reduced land receipt should the obligation to re-provide it be placed on the developer purchaser.

- 18 In order to be able to provide contractual commitments and certainty in the land sale contract around pitch delivery which align with the likely timescale for sale completion approval is required to funding the creation of the pitches and to instigate their provision ahead of any sale receipt being received from a sale of the land whilst the Council remains owner of the housing site.
- 19 The expenditure is likely to need to be incurred in the financial year 2024/25 with a targeted start on site for the pitch works being in late Spring 2024.
- 20 Consultation has taken place with the Chief Financial Officer who has confirmed a transfer of funding from future years within the existing City Development capital programme will facilitate the delivery of the scheme in 2024/25. This amount will be injected once the capital receipt from the land sale is received estimated to be 2025/26.

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

- 21 Risks are detailed in the confidential appendix to this report and relate to general economy related risk, inflationary pressures on development costs, bid and planning conditioning of the preferred bid and risk associated with completion of the housing site sale and associated receipt generation.
- 22 These risks, applicable to all of the bids received, will be monitored through the project.

What are the legal implications?

- 23 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.
- 24 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.
- 25 The proposal of this report constitutes a Key Decision and is therefore subject to call in requirements.
- 26 The Director of City Development has delegated authority to incur expenditure at the level proposed in Confidential Appendix 1.
- 27 The information contained in the appendices attached to this report relate to the financial or business affairs of a particular person or organisation, 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 inviting of best and final offers for the land then it is not in the public interest to disclose this information at this point in time as this could lead to random competing bids which would undermine this method of inviting bids and affect the integrity of disposing of the land by this process. It is also 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 offers 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.

Options, timescales and measuring success

What other options were considered?

- 28 The housing development site(A) is surplus to Council requirements with no reason identified to support retention with approval given previously to its disposal on an approved basis for affordable housing.
- 29 The site has a formal housing allocation with negligible potential for a sale at a full commercial value for other uses. The proposal supports the approved disposal option for housing site(A) which will optimise on capital receipt generation, whilst bringing the site into the use envisaged under its planning designation; the affordable housing delivery aspirations of the Council and ward members; and the Aire Valley Leeds Area Action Plan.
- 30 The Council could have offered the housing site for sale with the playing pitches left in situ for the preferred bidder to address after completion of the site purchase. This however would potentially introduce significant delay to both the delivery of the affordable housing whilst re-provision is made, and receipt of the (proportionately reduced) financial consideration for the land sale. The Council undertaking of the pitch works reduces risks to quality and deliverability.

How will success be measured?

- 31 Success will be measured by the completion of the replacement playing pitch works, and the successful completion of the sale and development of the housing site(A) for a 100% affordable housing scheme significantly advancing the regeneration of the former Copperfield's College site.

What is the timetable and who will be responsible for implementation?

- 32 Upon receipt of any approval to the recommendation of this report the hybrid planning submission referenced in paragraph 7 above would be finalised for submission to the Planning Authority with a view to targeting commencement of construction of the pitches in late Spring 2024.
- 33 The construction period for the pitch works is anticipated as being approximately fifteen weeks and will be followed by a period of approximately twelve months to allow for "bedding in" prior to the pitch being available for use.
- 34 Completion of the land sale remains conditional on several factors associated with purchasing a housing development site of the type at Copperfield's, details of which are outlined in Confidential Appendix 1, which also sets out an estimated timeframe for completion of the land sale, so far as is possible to establish at this stage.

Appendices

- Site Plan no.16150/AR showing the extent of the housing site(A), the overall Copperfield's site including the SEN school site(C), replacement pitch area (B and F), proposed retail site (E) and adjacent existing wooded open space(D).
- Confidential Appendix 1-detailing summary of the selected preferred bidder, their bid and estimate of sale receipt for the housing site, evaluation, risks and proposal. Funding requirements for the pitch.

Background papers

- None.