



## **CABINET REPORT**

<b>Report Title</b>	<b>Proposed RSL infill development at Greenfield Avenue</b>
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**AGENDA STATUS: PUBLIC**

<b>Cabinet Meeting Date:</b>	<b>8 July 2009</b>
<b>Key Decision:</b>	<b>YES</b>
<b>Listed on Forward Plan:</b>	<b>YES</b>
<b>Within Policy:</b>	<b>YES</b>
<b>Policy Document:</b>	<b>YES</b>
<b>Directorate:</b>	<b>HOUSING</b>
<b>Accountable Cabinet Member:</b>	<b>Councillor Sally Beardsworth</b>
<b>Ward(s)</b>	<b>Eastfield</b>

### **1. Purpose**

1.1 To consider a proposal for a small infill development on derelict land within a housing estate, based on disposal of the land for nil financial consideration in return for nomination rights to the completed homes.

### **2. Recommendations**

2.1 That the Director of Housing, in consultation with the Portfolio Holder, be authorised to negotiate the terms of the disposal at nil financial consideration of land shown at appendix A to Metropolitan Housing Trust in return for nomination rights to all completed homes.

2.2 That a report setting out the final terms of disposal be presented to Cabinet for final approval in due course.

2.3 To note that on Health and Safety grounds, numbers 58 & 60 Greenfield Avenue have had to be demolished because of structural instability due to subsidence.

### **3. Issues and Choices**

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#### **3.1 Report Background**

- 3.1.1 Following serious structural faults due to subsidence, two council houses in Greenfield Avenue had to be demolished earlier this year. This action was taken for health and safety reasons due to dangers presented to an adjoining house. In addition eight trees held to be responsible for the subsidence were removed. This action, which received planning and building control consents, was authorised by the Chief Executive due to the urgency.
- 3.1.2 The garages on the site were demolished some twenty years ago. As a result of the work to clear the houses and trees, there is now a substantial site on which a small infill development of up to 10 houses could be built. As this is a potential PFI estate, the opportunity to provide some additional housing will help with any decant requirements where parts of the estate are scheduled for demolition and renewal.
- 3.1.3 Discussions have been held with a number of RSLs and it seems likely that a viable scheme for rented homes could be developed, but this would be subject to disposal of the land at nil financial consideration.
- 3.1.4 A plan of the site is shown at Appendix A

#### **3.2 Issues & Choices (Options)**

- 3.2.1 There is an option of leaving the site until a potentially larger scheme of re-modelling that part of the estate could be progressed, but given the nature of the area and the number of owner occupied houses it is unlikely that a viable scheme supported by the local community could be developed.
- 3.2.2 The Council could decide to sell the land, but uncertainties in the local housing market and the possibility of a PFI scheme render a possible sales receipt uncertain.
- 3.2.3 The Council could decide to leave the land fenced until the PFI proposals are more fully developed and/or the housing market picked up.
- 3.2.4 The option of developing housing there now appears most likely to send positive messages about the Council's intentions in the area and will provide much needed family housing.

### **4. Implications (including financial implications)**

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#### **4.1 Policy**

On 5 March 2007, Cabinet adopted a policy towards the disposal of land at less than market value and appendix 2 of that report is attached for information at appendix B. This proposal meets most of the criteria listed.

#### **4.2 Resources and Risk**

The scheme should attract Social Housing Grant and other than the land disposal there are no other financial consequences.

In return for nil financial consideration the Council will expect to negotiate nomination rights to the completed homes.

#### **4.3 Legal**

None at the present time.

#### **4.4 Equality**

None for this report

#### **4.5 Consultees (Internal and External)**

Ward councillors

Local residents-the outcome to be reported verbally to cabinet.

#### **4.6 How the Proposals deliver Priority Outcomes**

Good quality affordable homes within a PFI estate.

#### **4.7 Other Implications**

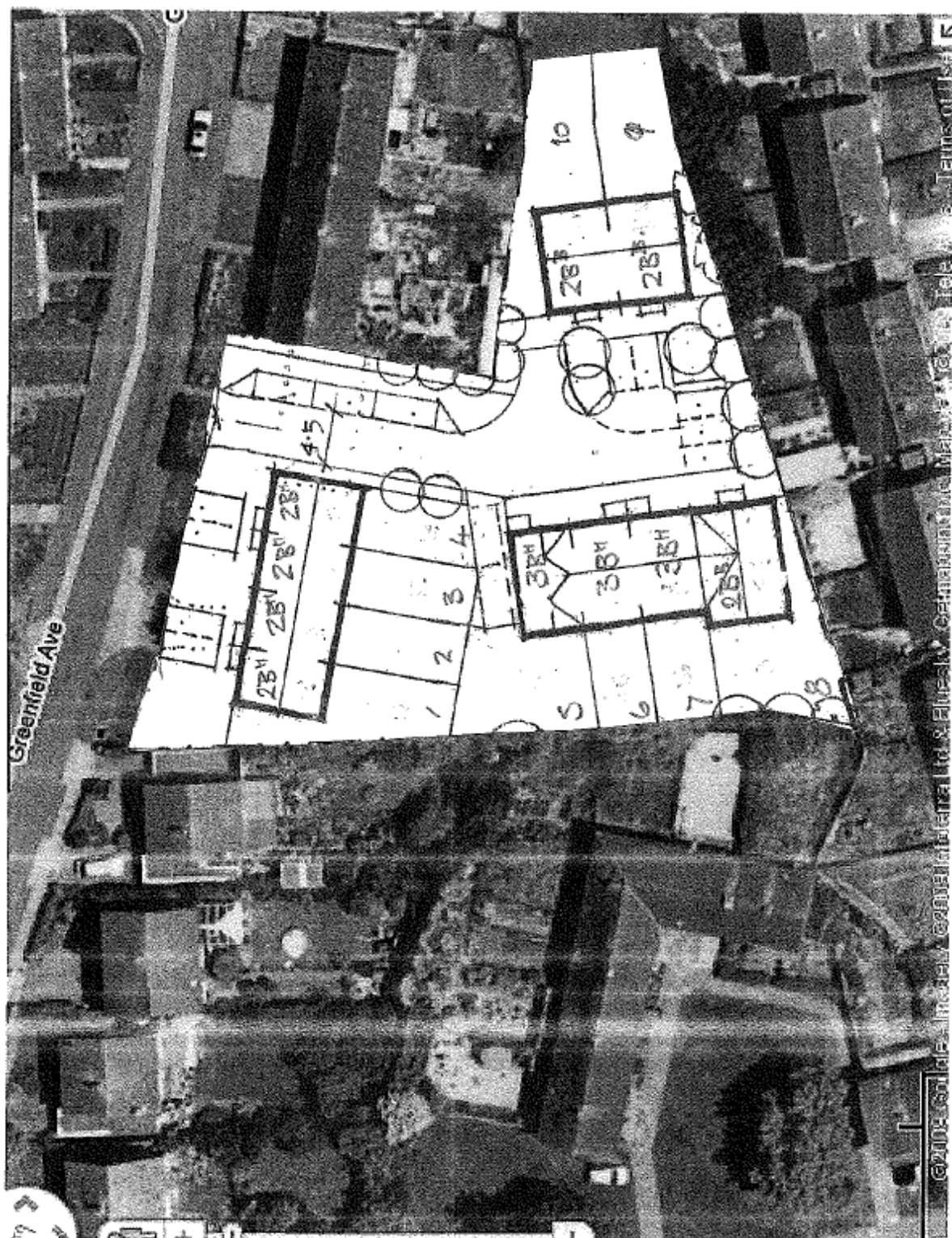
None

### **5. Background Papers**

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#### **5.1 Site survey reports**

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**Criteria to guide the approval of disposals by Northampton Borough Council of property for non-commercial use, at less than market value\* (excluding Right to Buy sales)**

**NOTE - This policy is intended to apply purely to proposed disposals to a registered charity, registered social landlord, or other properly constituted not-for-profit organisation. Even if disposals meet all criteria, each transaction must be approved by Cabinet in order to proceed, and Cabinet may choose not to approve.**

- **N.B. “less than market value” shall here mean in the case of a leasehold disposal a maximum of a £5,000 cumulative rental reduction from open market rental over the whole term of years granted OR in the case of a freehold disposal a maximum of £5,000 below actual market value.**
- 1. The project/disposal must support specific current Council priorities.**
- 2. The project/disposal must create benefit for a significant section of the community in Northampton.**
- 3. The amount of discount must provide value for money for the Council in relation to the Council priority outputs the project/disposal will deliver.**
- 4. The project/disposal could not proceed without the proposed discount.**
- 5. The project/disposal levers in significant additional investment from sources other than Northampton Borough Council. “Significant” in this context will normally be interpreted to mean a sum at least equal to the amount of the discount given.**
- 6. The project/disposal must have a robust and realistic plan for capital funding to completion.**
- 7. The project/disposal must have demonstrated a sustainable business plan that does not rely upon additional revenue or capital funding from Northampton Borough Council.**
- 8. There must be a proven need for the proposed facility in the locality it will serve.**
- 9. Where the land or property in question is held partly or wholly within the Housing Revenue Account, the proposed disposal at less than market value must be for the purposes of either “affordable housing” or “regeneration”, or other updated criteria required to avoid the loss of resources via “pooling” payments to central government.**
- 10. Where the land or property in question was transferred partly or wholly from the former Northampton Development Corporation in 1985 and is**

**subject to potential clawback on future disposals, the total reinvestment of the claw back amount in the proposed disposal must have been approved by English Partnerships (NDC's successor) prior to reporting to Cabinet.**

- 11. The proposed disposal at less than market value must be approved specifically by Cabinet, and the extent to which it meets the criteria above must be demonstrated in the report. It is not sufficient for the disposal to appear to satisfy the criteria above, without a Cabinet approval.**