



Derby City Council

**CABINET MEMBER FOR URBAN
RENEWAL**

22nd August 2016

Report of the Head of Strategic Housing

Disposal of land on the corner of Wood Road and Wayfaring Road to Derby Homes

SUMMARY

- 1.1 The report proposes the disposal of the site known as 'Land on the corner of Wood Road and Wayfaring Road' to Derby Homes for the purposes of providing affordable housing.

RECOMMENDATION

- 2.1 To approve the disposal on a freehold basis of the site known as Land on the corner of Wood Road and Wayfaring Road to Derby Homes for £1 under the General Consent for the Disposal of Land held for the purposes of Part II of the Housing Act 1985 - 2013.
- 2.2 To authorise the Head of Strategic Asset Management and Estates to agree the further terms of the disposal.

REASONS FOR RECOMMENDATION

- 3.1 The site will provide 6 dwellings of affordable housing and contribute towards the Homes and Communities Agency funded affordable homes programme 2015- 2018.

SUPPORTING INFORMATION

- 4.1 Derby Homes submitted a planning application (DER/05/14/00709) for a site known as Land on the corner of Wood Road and Wayfaring Road on the 10th June 2014. This is a small in-fill site in Oakwood. Planning permission was granted on 13th April 2016 for 6 x 2 bedroomed houses. These dwellings will be let as affordable rented housing.

- 4.2 The site was submitted by Derby Homes for Homes and Communities Agency (HCA) grant funding within the 2015/18 Derby City Council (DCC) partnership bid. Derby Homes were successful in achieving £110,250 of grant funding through the bidding process and the site is now scheduled to start on site on the 12th September 2016. The bid programme was approved by the Council under delegated powers as set out in the Cabinet report of the 2nd April 2014 'Authorisation to bid for Homes and Communities Agency grant funding'.
- 4.3 As part of the HCA grant submission criteria there is an expectation that public land is transferred at peppercorn value to support the provision of affordable housing. Otherwise HCA grant is seen as simply meeting the public land value as opposed to subsidising the development.
- 4.4 A valuation was carried out by the Council's Strategic Asset Management & Estates Team on the 11th May 2016. The instruction was to provide a Market Valuation to ascertain the opportunity cost of transferring the land at a peppercorn and to assess the level of approval for disposal.
- 4.5 The site with the current planning permission has been valued at £210,000. Derby Homes have incurred significant costs achieving planning permission on a challenging site. This has been a complicated site with significant and long standing negotiations with DCC Land Drainage and the Environment Agency, thereby incurring significant design and survey fees. Therefore the valuation needs to be viewed within the context of costs incurred achieving the planning permission.
- 4.6 Local Authorities have an obligation under Section 123 of the Local Government Act 1972 to obtain the best consideration reasonable obtainable for land that they dispose of, however there are exceptions to this rule if an authority is meeting wider strategic objectives. This report proposes that the site is disposed of at less than best consideration on the basis that the Authority receives the benefit of providing affordable housing for the community.

OTHER OPTIONS CONSIDERED

- 5.1 The Council could seek a receipt from Derby Homes but this would jeopardise the HCA grant awarded to the site and compromise the delivery of the overall HCA funded programme.

This report has been approved by the following officers:

Legal officer	Emily Feenan
Financial officer	Amanda Fletcher
Human Resources officer	Liz Moore
Estates/Property officer	Jayne Sowerby-Warrington
Risk Management	Richard Boneham
Service Director(s)	Christine Durrant

Other(s)	Ian Fullagar
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For more information contact: Background papers: List of appendices:	James Beale 01332 640316 Council Cabinet 2 nd April 2014 Authorisation to bid for Homes and Communities Agency grant funding Appendix 1 – Implications Appendix 2 - Valuation
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IMPLICATIONS

Financial and Value for Money

- 1.1 The value of the disposal complies with the grant conditions as approved in the original bid to the HCA. Delivery of the dwellings for affordable housing will provide the Council with New Homes Bonus at the affordable housing rate.

Legal

- 2.1 The disposal will be subject to the usual due diligence throughout the Conveyance.

Personnel

- 3.1 None directly arising from this report.

IT

- 4.1 None directly arising from this report.

Equalities Impact

- 5.1 The scheme will provide affordable housing for households in housing need.

Health and Safety

- 6.1 None directly arising from this report.

Environmental Sustainability

- 7.1 None arising from this report.

Asset Management

- 8.1 The site will be disposed at an undervalue for the benefit of providing affordable housing.

Risk Management

- 9.1 None arising from this report.

Corporate objectives and priorities for change

- 10.1 A strong community.

