

DECISION-MAKER:	CABINET		
SUBJECT:	DISPOSAL OF LAND FOR AN AFFORDABLE HOUSING SCHEME IN DERBY ROAD.		
DATE OF DECISION:	18 JANUARY 2010		
REPORT OF:	CABINET MEMBER FOR HOUSING AND LOCAL SERVICES		
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STATEMENT OF CONFIDENTIALITY

None

SUMMARY

This report seeks authority to dispose of the site of the former Neighbourhood Advice Centre at Rope Walk, Derby Road to a partner housing association to be redeveloped as affordable housing. A scheme is proposed that would provide 6 affordable homes: four 1 bed bungalows and two 2 bed houses.

RECOMMENDATIONS:

- (i) To agree to dispose of the site at Rope Walk, Derby Rd to a partner housing association to facilitate an affordable housing scheme and retention of the community garden.
- (ii) To determine that the disposal will contribute to the improvement of social well-being of residents.
- (iii) In the event that further grant is not available from the Homes and Communities Agency, to approve
 - The addition of a scheme to the Housing General Fund Capital Programme in the sum of £160,000 to provide grant aid to assist a partner Registered Social Landlord (RSL) to develop this site;
 - The equivalent reduction in the uncommitted provision within the Housing General Fund Capital Programme for the provision of grant aid to RSL's for new social housing developments; and
 - For the purpose of Finance Procedure Rules, capital spending of up to £160,000 on this scheme.
- (iv) Delegate authority to the Executive Director of Neighbourhoods following consultation with the Cabinet Member for Housing and Local Services, Solicitor to the Council, Head of Finance and Head of Property and Procurement to agree detailed terms of the disposal.
- (v) Delegate authority to the Executive Director of Neighbourhoods following consultation with the Cabinet Member for housing and

Local Services, Solicitor to the Council, Head of finance and Head of Property and Procurement to agree the future management arrangements for the Community Garden.

REASONS FOR REPORT RECOMMENDATIONS

1. The Council's Housing Strategy 2007-2011 sets as a key priority 'Developing Balanced & Sustainable Communities' including the provision of 2,000 new affordable homes. This priority reflects the high levels of housing need in the City confirmed by the Housing Needs & Housing Market Survey 2006, which identifies a shortfall of 1,391 affordable housing units each year in the city. There are currently over 14,000 households on the Council's housing register.
2. The recommendation would facilitate the freeing up existing family sized affordable homes by providing new smaller homes on the site suitable for existing tenants wishing to transfer from larger homes.

CONSULTATION

- 3 The proposals set out in this report were the subject of consultation (from October to December 2008) regarding changes to the Neighbourhood Advice Service made as part of the council's 2009/10 budget setting process. These stated, 'the Cabinet is keen to safeguard the use of the Rope Walk community garden and to see the site developed for exemplar affordable housing'
- 4 Proposals have also been the subject of consultation with partner housing associations and the details of the proposed final scheme for the site will be the subject of community consultation. The disposal of the site to a partner housing association was also subject to consultation as part of the council's budget setting process for 2009/10
- 5 Approval of the report's recommendations will make a positive contribution towards meeting the objectives and targets set out in the Housing Strategy Statement 2007-2011, which highlights the provision of new additional affordable housing in the City as a key priority

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 6 Sell the site in the open market: Whilst this option would generate a 100% usable capital receipt from the sale of the site, this option would not contribute to the provision of new affordable housing in the City to help meet the need for 1,391 new units of affordable housing per year identified in the Housing Needs Survey. This also might lead to development unsympathetic with the garden site at the rear of the property, It is not recommended that this option is pursued.

DETAIL

- 7 Land at Rope Walk comprises of two elements. Firstly, the Neighbourhood Advice Centre which was decommissioned as part of the 2009/10 budget setting process. The centre was closed in May 2009 and the service reconfigured to form the Housing and Money Advice Service relocated at Southbrook Rise. This service now has a strong focus on providing an outreach service throughout the whole of Southampton. The centre has not been used since its closure and it is this land which this report seeks to dispose of to HydeMartlet Housing Association..

- 8 Secondly, at the rear of the Centre is the former Neighbourhood Advice Centre is the Ropewalk Community Garden. This is managed by a group of volunteers, who give their time to a range of activities from gardening to arts and crafts. The 'Friends' of the Garden are a legally constituted body who have attracted funding and support from agencies such as the Environment Centre, University of Southampton and Groundwork. This proposal would not alter the nature of the Community Garden. The council supports the continuation of this project and the provision of the garden within the inner city. The council is in discussions with HydeMartlet Housing Association and the Friends of the Ropewalk Community Garden about how this part of the site is best managed in the future. There is no revenue budget provision in relation to the community garden so the future operational arrangements will need to be at no cost to the Council.
- 9 The site is currently in the General Fund and is part of the Housing and Local Services portfolio.
- 10 The Southampton Affordable Housing Partnership (SAHP) 2007-2012 has a 5 year target to provide 2,000 new affordable homes in the city. The partnership consists of 6 partner housing associations. Homes built under this programme will contribute towards the 1,391 affordable homes needed in the city each year as identified in the Housing Needs & Housing Market Survey 2006
- 11 The council approached HydeMartlet, one of the 6 housing association partners with substantial experience of working in Southampton's inner city, to ask them to look at the viability of redeveloping the former Neighbourhood Advice Centre element of the site as affordable housing.
- 12 Given the constrained nature of the site it was identified that it would not be suitable for larger family homes despite the high level of need for such homes in the city. Instead, HydeMartlet were asked to design homes that would appeal to tenants currently under occupying larger family homes to offer them a suitable alternative home.
- 13 Following consultation with Development Control, HydeMartlet have produced a scheme for the former Neighbourhood Advice Centre part of the site that includes four 1 bed bungalows and two smaller houses, all of which can be targeted at tenants under occupying larger houses. In this way 6 existing households can be offered homes suitable for their needs and a further 6 larger families can be housed in the resulting empty homes.
- 14 All the homes would be built to a minimum of the Code for Sustainable Homes Level 3. This means they would be energy efficient homes with a lower impact on the environment and reduced fuel costs for residents. Private homes on the same site would not have to be built to this level so would not provide these benefits.
- 15 There is an existing right of way across the development site which links Oxford Ave to the community garden and on to the Central Mosque. There is no plan to alter this right of way, although there might be some unavoidable interference during construction and if this is the case all appropriate negotiations will take place with affected parties.
- 16 HydeMartlet carried out a viability assessment on the proposed scheme and

concluded that in order to pay the Council the market price for the land they would need additional grant. Due to the abnormal costs involved with building on a narrow site. There will also be considerable demolition costs and a likelihood of contamination from previous uses of the land.

- 17 Development of the site is constrained due to overlooking issues in respect of adjacent houses which back on the site on both sides and to access issues. Theoretically a higher density flatted residential scheme might be more financially viable on the site. Alternatively, the site could potentially be sold for conversion to flats (subject to planning) or for commercial use. However this would not help the council meet the need for family homes.
- 18 It is anticipated that if approval is given for disposal to a housing association that the council will continue to work with HydeMartlet to progress their proposed scheme. However if for any reason they were unable to progress the scheme then the council would seek to progress the scheme with another partner. Any disposal to HydeMartlet would be subject to their Board approval.

FINANCIAL/RESOURCE IMPLICATIONS

Capital

- 19 The disposal will generate a capital receipt which is estimated at £160,000. This receipt will be available to fund schemes in the General Fund Capital Programme.
- 20 As noted in paragraph 16, for the development to be viable for a partner RSL it is necessary for additional grant of £160,000 to be made available for this scheme. Discussions are taking place with the Homes and Communities Agency about the availability of such a grant. In the event that this is not forthcoming it is proposed that up to £160,000 is made available from the uncommitted provision of £999,000 within the Housing General Fund Capital Programme for providing support to RSL's to develop new social housing in the City. The recommendations seek approval to change the capital programme to reflect this and give scheme approval for the project.

Revenue

- 21 The savings from no longer having to maintain the Ropewalk have already been taken into account in setting the revenue budgets for 2010/11.

Property

- 22 The former Neighbourhood Advice Centre is surplus to Council requirements.
- 23 The site is constrained and has limited redevelopment potential. The existing building could be retained for office use or, subject to planning, converted into flats.

Other

- 24 None

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

- 25 Section 123 of the Local Government Act 1972 and Section 2 Local

Government Act 2000.

- 26 The provision of affordable housing achievable through these proposals will assist in securing the promotion of the economic and social well being of the area by helping to meet the housing needs of those unable to afford homes in the private sector. The provision of new affordable homes is also identified in the Southampton Strategy as a way to help meet the priority of providing an 'attractive, sustainable and stimulating environment'.
- 27 Property Services have carried out a valuation of the potential open market value of the site and have calculated this to be £160,000. This amount is the capital receipt that will be forgone if the site is disposed of for affordable housing.

Other Legal Implications:

- 28 None.

POLICY FRAMEWORK IMPLICATIONS

- 29 The proposals contained within this report will contribute positively to meeting the priorities to develop balanced and sustainable communities including the provision of more affordable homes in the city, and preventing homelessness, as set out in the Housing Strategy 2007-11 and to secure the Medium Term Plan & Corporate Improvement Plan targets of 2,000 new affordable homes completed between 2007/2012

SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	None
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Documents In Members' Rooms

1.	None
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Background Documents

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None	
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KEY DECISION Yes

WARDS/COMMUNITIES AFFECTED:

Bevois