

Report of the Interim Deputy Chief Executive

HOUSING SITE DISPOSAL OPTIONS1. Purpose of report

To consider options for the disposal of ten potential housing sites.

2. Background

Various sites have previously been approved for disposal as they are surplus to operational requirements and are suitable for redevelopment. They are all within the Council's Housing Revenue Account (HRA).

3. Detail

The Broxtowe Borough Council Housing Strategy 2015-2020 states that the Council will "review all garage sites to assess the need and suitability for use as residential land." A review was completed in 2015 and the Garage Strategy 2015-2020 was produced and considered by the Housing Performance Group which includes the strategic action: 'Consider the demolition and redevelopment of sites'.

Ten sites have been identified for disposal. Details are provided in the appendices. All ten sites have previously been approved for disposal by the Council's Finance and Resources Committee. Any redevelopment would, of course, also require planning permission.

4. Disposal options

Appendix 1 details the two main disposal options – 1. redevelop them for social housing, and 2. sell the sites for general housing with the income accruing to the HRA to then be spent on social housing elsewhere. Appendix 2 explains why option 2 in isolation is probably not the most appropriate way forward; but a hybrid of options 1 and 2 combined could also be considered. The hybrid option could potentially achieve many of the benefits of both options.

5. Financial implications

A successful disposal and redevelopment of the sites listed in the appendix would provide the Council's HRA with a capital receipt at the current market value of the premises offset, in part, by the loss of rental income. Subsequent housing developments should generate additional income from New Homes Bonus and Council Tax.

Recommendation

The Committee is asked to CONSIDER the two disposal options and to RESOLVE accordingly.

Background papers

Nil

APPENDIX 1Sites identified for disposal

Several underutilised Council-owned garage and other HRA sites across the Borough have, at previous Finance and Resources Committees, been given approval to be disposed of and, subject to planning permission, be redeveloped for housing. For the purposes of this report, the following sites are relevant. The sites have been packaged up in groups to make them a more attractive proposition to sell and to ensure that some of the less desirable sites are developed alongside the more favourable ones.

Plans and photographs of most of the sites are given in appendix 2. The estimated value of the sites was given in the previous reports.

Pot 1

- Firbank Court, Chilwell – approved for disposal by Finance and Resources Committee 6/2/17
- Gayrigg Court, Chilwell (2 plots) – approved 6/2/17
- Selside Court, Chilwell – approved 6/2/17

Pot 2

- Ghost House Lane, Chilwell – approved 13/7/17
- Felton Close, Chilwell – approved 13/7/17

Pot 3

- Whitley Court, Stapleford – approved 13/7/17
- Wesley Place, Stapleford – approved 13/7/17
- Oakfield Road, Stapleford – approved 13/7/17

Two further sites have also been approved:

- Fishpond Cottage, Bramcote – approved 13/7/17
- Princes Avenue/Read Avenue, Beeston – approved 6/2/17

Options for disposal

Whilst approval to dispose of these sites has already been secured, there are two main options for their disposal:

Option 1: The sites are developed as affordable housing sites.

There is an identified need for affordable housing across the Borough and supply rarely meets demand. Under this option all the sites would be developed directly for affordable housing. This could either be through the route of some form of joint enterprise agreement, probably with a registered housing provider, or the Council could develop the sites more directly through the use of architects and contractors. Both scenarios would require the appropriate procurement route to be selected and this would take some months.

Option 2: The sites are sold on the open market.

This is relatively quick and makes minimal demand on staff resources and there is already some interest from developers to buy some of these sites. The liability for upkeep of the sites would then fall to the new owners, rather than the Council, and the Council would obtain a quick capital receipt for the site.

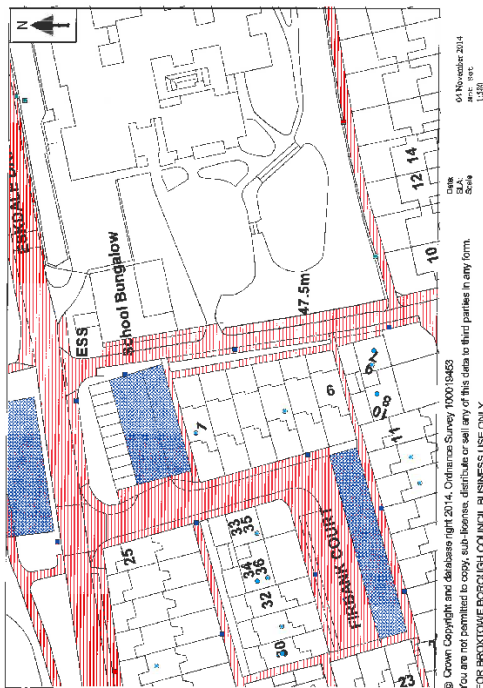
However, any capital receipt for the sites would go into the HRA budget, rather than the general fund, and therefore could only be used for further social housing projects. These projects would themselves require land which could be costly and therefore an inefficient use of the funds. Furthermore, once a site is sold the Council loses control of it and it could be 'land banked' for future years. If this option is chosen, it is suggested that the buyers enter into a legal agreement to build the site out quickly, to circumvent this issue.

Planning

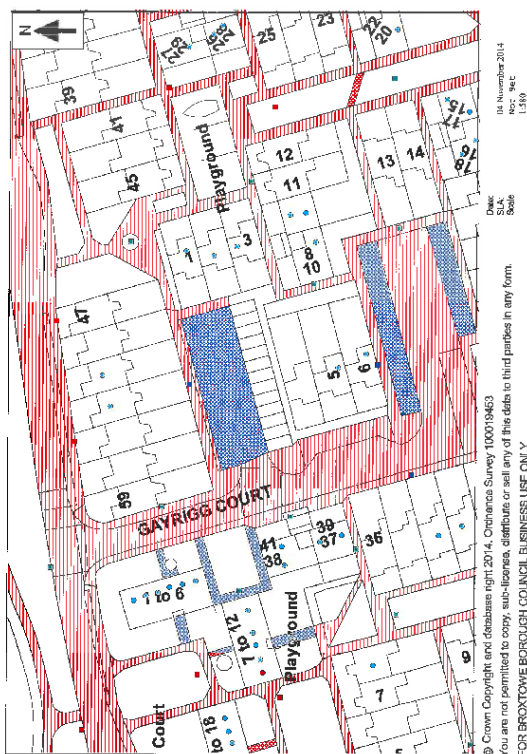
All options would ultimately require planning permission. To that end, it is suggested that planning permission is obtained by a third party wherever possible. This is because planning permission would require significant resources to secure, including staff time and several surveys, and it is more prudent to sell these sites without this burden.

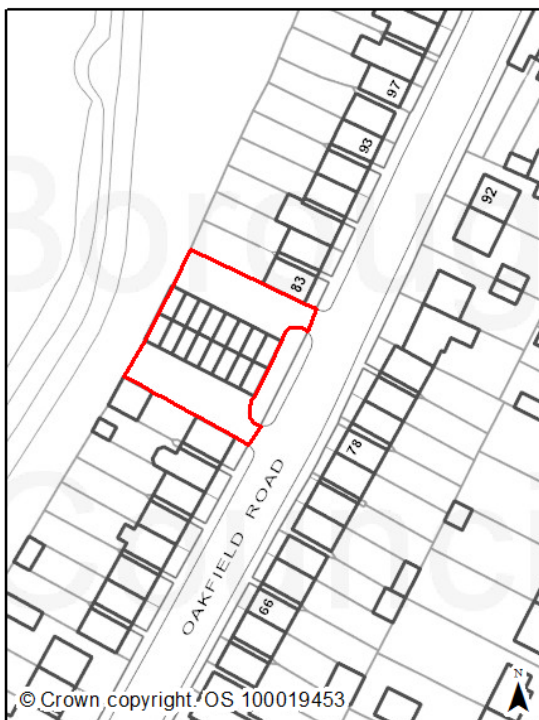
APPENDIX 2

1. FIRBANK COURT, CHILWELL

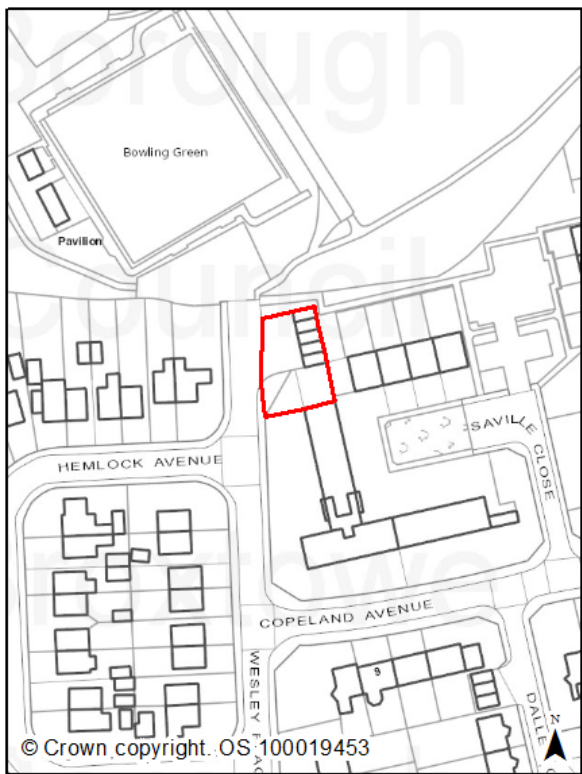


2. GAYRIGG COURT, CHILWELL

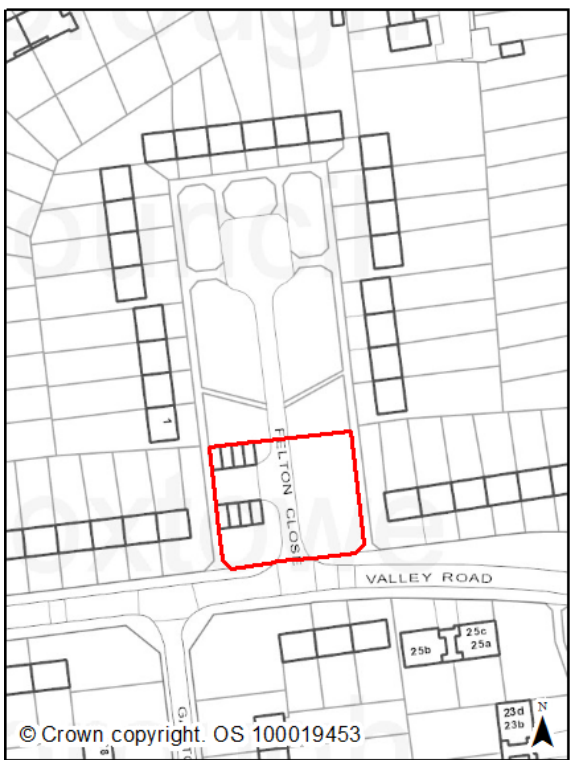


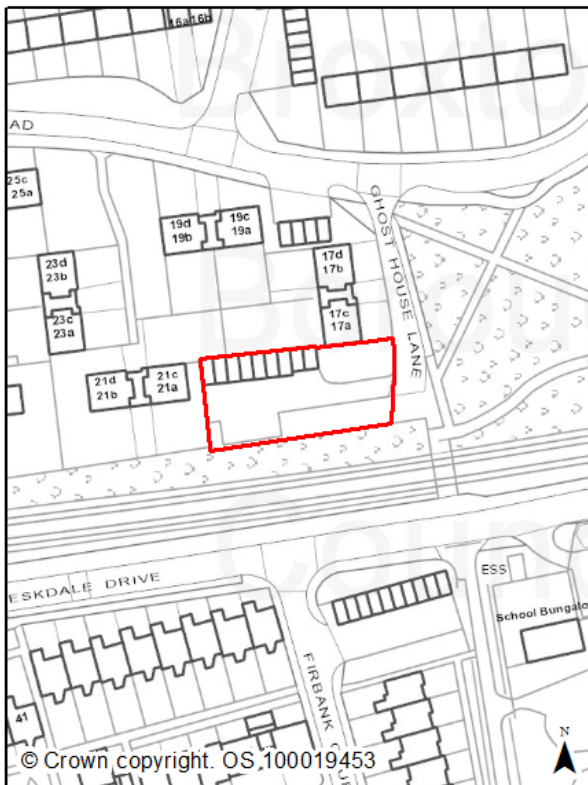
3. SELSIDE COURT/ ESKDALE DRIVE, CHILWELL**4. OAKFIELD ROAD, STAPLEFORD**

5. WESLEY PLACE, STAPLEFORD AND ADJACENT LAND



6. FELTON CLOSE, CHILWELL



7. GHOST HOUSE LANE, CHILWELL**8. SITE TO SOUTH OF WHITELY CLOSE, STAPLEFORD**