
Executive

9 February 2023

Report of the Director of Housing, Economy & Regeneration

Portfolio Holder for Housing and Community Safety

Housing Delivery Programme update - Delivering Affordable Housing on Council Land

Introduction

1. This report provides an update on the progress of the Housing Delivery Programme (HDP). The report outlines a proposal to utilise grant funding to carry out enabling works at Ordnance Lane, apply for additional grant to support the delivery of an increased proportion of affordable housing at Ordnance Lane and allocate a budget to progress the design of the Willow House site and wider South Walmgate regeneration masterplan. The paper also recommends proposals for developing the two vacant plots of land at Lowfield Green.
2. The Housing Delivery Programme has made great strides towards achieving the ambitious delivery plans set at the outset of the programme. Lowfield Green has delivered over 100 new build homes to date along with high quality public realm and 6 self-build plots which are now largely occupied. Lowfield Green is a flagship development for the Council and demonstrates the commitment to excellent placemaking which is reflected in the overwhelmingly positive resident feedback during post occupancy surveys and winning the Lord Mayor's Award at the York Design Awards 2022. High levels of grant funding have been secured on the first two Passivhaus projects, at Duncombe Barracks and Burnholme, which will be net zero carbon in operation with 60% being affordable housing, three times planning policy levels. Ordnance Lane received planning permission in July 2022 and has secured over £2.4m of grant funding to deliver enabling works on the site. The programme won the prestigious RTPi Silver Jubilee Cup recognising the programme's imaginative response to its context and praising both the long-term sustainability benefits and the immediate positive impacts the developments will deliver to residents' well-being by tackling present day issues such as fuel poverty and isolation and loneliness.
3. Additionally, the innovative Second-Hand Shared Ownership scheme has supported 65 households into affordable home ownership and further grant

funding has been received to enable another 40 families into a new affordable home during the next financial year. To date the work of the HDP has delivered 127 additional affordable homes in the city with a further 107 affordable homes currently in the delivery stage.

Recommendations

4. Executive are asked to:

Ordnance Lane Site

- a) Approve the use of the One Public Estate (OPE) grant funding of £2.43m, to carry out enabling works at the Ordnance Lane site
- b) Approve the carrying out of a procurement process to procure an enabling works contractor for the Ordnance Lane scheme and to delegate to the Corporate Director of Place (in consultation with the Executive Member for Housing and Safer Neighbourhoods, the Chief Finance Officer and the Director of Governance or their delegated officers) the authority to take such steps as are necessary to procure, award and enter into the resulting contract.
- c) Approve the carrying out of a procurement process to procure a main works contractor for the Ordnance Lane site and to delegate to the Corporate Director of Place (in consultation with the Executive Member for Housing and Safer Neighbourhoods the Chief Finance Officer and the Director of Governance or their delegated officers) the authority to take such steps as are necessary to procure the contractor and to note that a future paper will be brought to the Executive to present the full business case and to seek approval to award the contract to the winning bidder.
- d) Approve the submission of an application to Homes England for grant funding to support the delivery of 60% affordable housing on Ordnance Lane

Willow House and Walmgate Estate

- e) Allocate £1m from the existing Housing Delivery capital budget for the design development of Willow House and the wider South Walmgate area to allow the submission of a planning application and note that a future paper will be brought to the Executive to present a full Business Case prior to carrying out a procurement process for a contractor.
- f) Approve the inclusion of the adjacent garage sites in the South Walmgate area to be explored for redevelopment following engagement with the local community
- g) Approve the carrying out of a procurement process to procure multidisciplinary design and project teams to deliver the Willow House scheme and to delegate to the Corporate Director of Place (in consultation with the Executive Member for Housing and Safer Neighbourhoods, the

Chief Finance Officer and the Director of Governance or their delegated officers) the authority to take such steps as are necessary to procure, award and enter into the resulting contract(s).

17-21 Piccadilly Site

- h) Note the progress made on finding a long-term use for 17-21 Piccadilly and agree that non-residential uses should be considered for the ground floor as part of the disposal scheme.

Lowfield Plot A

- i) Approve the development of Plot A at Lowfield Green as part of the Housing Delivery Programme utilising existing house types and design work to deliver approximately 10 additional new mixed tenure homes
- j) Allocate £400k from the existing Housing Delivery capital budget for the design development of Plot A at Lowfield Green to allow the submission of a planning application and note that a future paper will be brought to the Executive to present a full Business Case prior to appointing a building contractor.

Lowfield Plot B

- k) Agree to dispose of the Lowfield Plot B site, by freehold transfer or grant of a lease, to a Registered Provider or Community Housing Group for the delivery of age-appropriate housing primarily for residents aged over 55
- l) Delegate authority to the Corporate Director of Place in consultation with the Executive Member for Housing and Safer Neighbourhoods and the Executive Member for Finance and Performance the finalisation of the selection criteria for the disposal of the Lowfield Plot B site
- m) Approve the carrying out of a procurement process to procure a Registered Provider or Community Housing Group to deliver the Lowfield Plot B scheme and to delegate to the Corporate Director of Place (in consultation with the Executive Member for Housing and Safer Neighbourhoods, the Chief Finance Officer and the Director of Governance or their delegated officers) the authority to take such steps as are necessary to procure, award and enter into the resulting contract(s).

Reason: To ensure the continuation of a manageable pipeline of sites to deliver the Housing Delivery programme whilst making best use of CYC assets to deliver capital receipts and social benefits.

Background

5. The Housing Delivery Programme was established with the commitment of delivering around 600 homes, with a minimum of 40% of these being affordable. This delivery consists of building our own and facilitating self and community housing projects. Subsequently an opportunity to deliver affordable homes through second hand shared ownership was developed and included

within the programme. A net HRA investment of £45m is included within the 30 year HRA business plan.

6. The table below highlights the projects which are committed and being delivered including progress to date:

Project	Total homes	Affordable	% Affordable	Progress
Lowfield (Phase 1)	140	56	40%	109 homes complete to date
Burnholme	78	47	60%	Construction underway
Duncombe	34	20	59%	Construction underway
Second-hand Shared Ownership	105	105	100%	65 affordable homes provided
Rough sleepers programme	6	6	100%	Complete
Total	363	234	64%	

7. In addition to the projects directly delivered within the HDP, the team have also facilitated the following committed projects:

Project	Total homes
Lowfield Self and Community Build	25
Burnholme Self Build	5
Disposal of Sturdee Grove for Affordable Housing	9
Disposal of 17-21 Piccadilly for Affordable Housing	25
Disposal of former Clifton Without School for Affordable Housing	20
Self-Build Small Sites Disposal	8
Disposal of Morrell House for Community Housing	12
Disposal of Former Tang Hall Library for Community Housing	5
Total	109

8. These committed and completed projects provide a combined housing provision of 472 homes of which 279 are affordable homes meaning that 59% of the delivery is of affordable tenures, far exceeding the original target of

40%. The recommendations in this report would see the following further projects delivered:

Project	Total homes	Affordable
Lowfield Plot A	10	4
Lowfield Plot B	20 to 60	5 to 60
Willow House	30	20
Ordnance Lane	85	51
Total	145 to 185	80 to 135

9. The combination of committed projects and the proposals detailed in this report sets the Housing Delivery Programme on a path to exceeding the target of 600 homes and delivering approximately 60% affordable housing across the programme.
10. Additionally, there are future sites allocated for housing, namely Manor and Askham Bar, which are not being actively progressed in the current phase of the HDP and will be brought forward in a future phase to Executive for consideration.

Ordnance Lane

11. Ordnance Lane is a key site for delivering the aspirations of the HDP. To date the Council have committed significant resource to the project and received planning approval in July 2022 following engagement events attended by over 200 local residents and other stakeholders. The development will create 85 new homes including 25 intergenerational apartments, as well as a further 8 commercial spaces and 2 community spaces and 2 new areas of public open space. All new homes on Ordnance Lane will respond to the climate emergency by being built to certified Passivhaus standard and will be zero carbon in use meaning residents will see a reduction in energy bills of over 70%. The development has low and controlled car parking provision and to compliment this, an abundance of cycle parking is being provided, together with free e-cargo bike rental for residents, hire vehicles and ultra-rapid charging points.
12. The Ordnance Lane development retains and enhances the best and largest building on the site at the heart of the development, the previous military accommodation known as 'The Married Quarters'. This building will be retrofitted to very high thermal performance standards to ensure that homes will be comfortable and energy efficient for future occupiers. The proposals give a long term and viable future to this building which previously hasn't existed. The redevelopment will reuse existing materials where possible to

utilise the embodied carbon and the whole development has been designed to better reflect the heritage of the site. The area will also include a net gain of 129 trees, with community food growing infrastructure, enhanced recycling and biodiversity.

13. Both the indoor community space and outdoor shared spaces meet the needs of local people and are designed to bring people together, tackling loneliness and isolation through community gardening, relaxation, socialising and play which in turn increases the health, wellbeing and resilience of communities. The new community and commercial spaces will provide an active frontage to the newly pedestrianised Ordnance Lane and a pedestrian and cycle route linking the new homes with existing amenities on Fulford Road, the industrial estate as well as to New Walk, a popular riverside path linking residents straight to the city centre. These connections will create stronger physical links to the shops, riverside and other public uses in the area.
14. In addition to the homes, 8 commercial spaces will provide opportunities and meet the needs of local businesses, reflecting the light industrial use of the site. Two spaces front towards Fulford Road, close to an existing parade of shops and a café. 6 small spaces can be utilised as makers' spaces, co-working spaces, office or other flexible use compatible with the residential nature of the area. A rental valuation suggests that these units could be attractive for a range of uses. The commercial units create active frontages to bring activity and overlooking to a pedestrian and cycle link which is central to the redevelopment plans.
15. In September 2021 the Council was successful in a bid to the One Public Estate for £2.43m to carry out the enabling works. The terms of this grant require the council to have spent the grant funding and entered a construction contract for new housing prior to March 2024. Given the unprecedented market conditions experienced in recent months it is felt that a prudent and financially cautious approach to this development should be progressed. This paper is seeking permission to progress the enabling works to fully utilise the grant funding. Carrying out enabling works will significantly reduce the site 'abnormal' costs by removing contamination, carrying out demolition and removing hard-standing.
16. Carrying out the enabling package will allow further time to review the changing market conditions before commencing a tender for the main works contract. Market intelligence from the consultant team along with internal procurement colleagues is showing a significant reduction in tender inflation in comparison to the previous 12 months.

17. An outline business case for the delivering 85 homes and 10 commercial spaces at the Ordnance Lane site has been developed based on the latest pre-tender estimate and the future development is deemed to be viable. The indicative level of long-term HRA investment is within the £7.3m assumed within the original business plan developed in 2018. Given the fluidity of the market it is proposed that a full business case is brought back to Executive with an agreed contract value following a tender exercise as market conditions may substantially change over the coming 12 months.
18. Market conditions will be kept under review during enabling works and a main works tender will be launched later in 2023. The procurement will build on the success of the procurement for Duncombe and Burnholme with quality criteria which promotes Green Skills, local supply chains and experience of high-quality sustainable housing developments.
19. As with Duncombe and Burnholme, it is proposed to increase the levels of affordable housing to 60% made up of 20% Social Rent and 40% Shared Ownership. Ongoing dialogue with Homes England suggests they wish to support this proposal, as they did with Duncombe and Burnholme, in order to maximise the affordable housing delivery. Delivering the additional affordable homes is dependent on support from Homes England and a grant bid is being prepared subject to Executive approval.
20. Based on current projections, a one-bedroom apartment could be purchased through shared ownership with a deposit of around £6,000 and an income of £25,000. A two-bedroom house could be purchased with a deposit of £12,000 with a combined household income of approximately £40,000. These examples are modelled on buyers acquiring a 30% equity share in their home, however buyers will be able to acquire between 10% and 75% initial equity stake depending on their financial position. The market sale homes are proposed to deliver significant sales returns in order to help cross fund the development costs, enabling the social value.

Willow House and Walmgate Estate

21. Willow House is a vacant care home in the Council's ownership and has been empty since around 2017. Since becoming vacant, residents in the local area of Walmgate have been keen to bring the site into use as family housing, whilst preserving the green amenity area between the building and Walmgate Bar. The site has previously been marketed, with the strongest interest from student housing providers which was not considered consistent with the needs and aspirations of local residents.

22. In March 2021, Executive approved a recommendation for the Housing Delivery Programme to undertake feasibility work into redeveloping the site. Alongside comprehensive public engagement, the Housing Delivery Team have developed an early design proposal for a financially viable mixed tenure housing scheme that builds on the strengths of this prominent and unique site. The proposal respects the sensitivity of the site, being located next to Walmgate Bar, a scheduled ancient monument, the city walls, and public open space which has two high quality trees within it. The brief also includes a wider objective, to consider and develop local area improvements in the wider South Walmgate area, much of which is within the ownership of the council.
23. The high-level plans for the site have been informed by significant positive public engagement events attended by over 100 local residents. The plans include retention of the green space adjacent to Walmgate Bar and the development of 30-40 homes. The proposal incorporates the adjacent garage site, providing additional new homes. The proposal reinstates the original physical connection between Long Close Lane and Walmgate Bar. The proposals have been through an extensive pre-application planning process and it is considered that the plans are viable and deliverable.
24. Using the design work carried out to date along with a detailed cost report, an outline business case has been created to ensure the project is viable prior to seeking a budget for further design development. The current business case anticipates long-term HRA investment of £3.370m which would be repaid over 40 years through rental income, representing a sound investment in accordance with well-established development finance modelling. The initial business case will evolve through the next design stage.
25. This report seeks an allocation of £1m from the existing Housing Delivery Programme budget in order to take the project through planning and prepare the project for tender of a construction contract. The full business case will be brought before Executive for approval prior to entering a build contract.
26. The current procured multidisciplinary design team contract comes to an end in February 2023. Therefore, a procurement exercise will be undertaken to appoint a design team for the project.

17-21 Piccadilly

27. Executive previously agreed the principle of disposing of this site by way of a long leasehold for an affordable housing scheme. A marketing brief has been

issued to Registered Providers (RP's) which follows a period of soft market testing with RPs to ensure the way in which the brief has been put together, provides interest in the RP market. Soft test marketing responses from RP's has been good and formal bids are now awaited. Given the location of the site within the city centre, it is realistic to expect that the ground floor of proposed schemes could form commercial use, a sentiment shared by RPs from the soft test marketing exercise. Accordingly, whilst the residential content of the scheme will still form affordable accommodation, commercial uses should also be considered for the ground floor level.

Further opportunities at Lowfield Green

28. Lowfield Green obtained outline planning permission for the site wide masterplan in August 2018. This included 140 mixed tenure homes to be delivered directly by the council, 6 self-build sites, a 19 home community build scheme, as well as a potential care home and a potential health and public service hub.
29. All 140 homes delivered by the council are due to be complete in spring 2023 along with the 6 self-build plots. The Community Build plot has been purchased by Yorspace, a community housing group. The terms of the land disposal require Yorspace to commence construction by Summer 2023 with construction work on this site to be completed within 18 months of the commencement date. Given that the majority of the site will soon be complete, it is fundamental to the delivery of the masterplan that the remaining undeveloped plots are brought forward for development as soon as possible.

Health and Public Services Building Plot – Plot A

30. This vacant plot, referred to as plot A, sits at the entrance to the Dijon Avenue access to the site and has been used for site welfare facilities throughout the main works contract with Wates Construction Ltd. In the original masterplan this plot was set aside for a potential public service hub following early interest from partners. However following further engagement with potential users it has been confirmed this use is no longer required in the area. The plot is well connected to local amenities and is in the heart of the thriving new community created at Lowfield Green.
31. The options for the future use of this plot have been analysed based on the need to prioritise certainty of delivery and accelerate the timescales for construction works in order to conclude the masterplan as soon as possible and minimise the disruption to existing residents. The options considered included developing specialist housing on the site, delivering the site as

general needs housing through the Housing Delivery Programme or freehold disposal of the plot. The options of both specialist housing and disposal presented significant risk of delay and did not provide adequate certainty that construction would commence within a reasonable timeframe.

32. Delivering the plot through the Housing Delivery Programme would utilise the existing housetypes and design work to deliver additional homes on the plot. This approach would deliver good value for money as the design costs would be reduced given the site would repurpose existing detailed design as well as accelerating the design period meaning the proposal for planning approval could be submitted by mid-2023. The design proposal would focus on delivering approximately 10 homes, predominantly bungalows, for a mix of social rent, market sale and shared ownership. Early pre-application advice from Planning suggests that this approach would be welcome on the site. There is continued demand for new properties on Lowfield Green, particularly accessible housing such as bungalows.
33. Delivery through the HDP will also ensure that community engagement is embedded into the design process ensuring that the views of residents are incorporated into the design development. Given the site is situated close to existing homes on Dijon Avenue the proposals will need to be sensitive to the surroundings and developed in collaboration with neighbours.
34. A financial appraisal of the project has been undertaken on an estimated 10 homes on the plot using build costs for Lowfield Green housetypes inflated to present day costs. On the basis of 60% market sales, 20% shared ownership, 20% social rent the scheme delivers a mixed tenure development with a strong financial return to the council requiring minimal borrowing to deliver the project.
35. Based on the high level viability appraisal the project would require a small amount of borrowing and would pay back all investment within the first 2 years of completion (subject to the level of grant funding received on the affordable properties). Bringing this site into the HDP provides greater certainty and speed of delivery which would be welcomed by new and existing residents around Lowfield Green and would minimise the time the site is left vacant. It is estimated that development on site would commence late in 2023/early 2024.
36. This reports requests the allocation of £400k from the existing Housing Delivery programme budget to progress this proposal through planning and develop the design in readiness to tender for a building contractor. Prior to

signing the build contract, a business case would be brought back to Executive for approval, including the allocation of the development budget.

Former Lowfield Care Home site - Plot B

37. The 'Care Home Plot' sits adjacent to the recently completed Village Green. The outline planning permission (Ref 17/02429/OUTM) was for a three storey, 80 bed residential care (C2) facility with a ground floor area of approximately 3910sqm.
38. A procurement exercise for a residential care home provider was carried out in summer 2019. Following feedback from potential providers, it was concluded that they did not feel the location was suitable for residential care and would not be able to offer beds back to the Council at actual cost of care rates required, as such the procurement exercise was terminated.
39. Following a consultation exercise with York residents in 2019 and soft market testing with social landlords and developers, Extra Care was identified as an alternative means to achieve the Council Plan's ambitions for residents' good health and wellbeing in later life. Consultation with Age UK York and other advocacy groups also identified that despite the high level of home ownership in York, there are few Extra Care developments offering market sale or intermediate homeownership such as Shared Ownership.
40. Based on these further insights and positive soft market testing, a revised procurement exercise was undertaken in 2021 with a view to developing an Extra Care scheme consisting of a minimum of 40 No. one and two bedroom apartments, offering a minimum of 20% of the homes to be for social rent. The site was offered with a long lease of 125 years and an expected capital receipt of £425k for its disposal. Whilst positive feedback was received prior to going to market, no formal bids were tendered, and the procurement was terminated largely due to the restrictive terms of the leasehold sale.
41. The site is dual aspect with vehicular access from Restharrow Road and abutting the village green on the other side. In design terms this site requires a design solution that overlooks the green space to create natural surveillance. This site requires a bespoke housing or an apartment led proposal.
42. As with vacant Plot A, a number of potential options have been analysed in order to determine the most efficient route to delivering homes on this site. These options included delivery through the Housing Delivery Programme, disposal of the freehold or disposal to a Registered Provider or community

housing group through an evaluated process to deliver age-appropriate housing for residents aged over 55.

43. Whilst there was strong support for delivering the plot through the HDP, this option required a significant commitment of HRA resources which given the current commitments of the Housing Delivery Programme, meant it may not be feasible to bring this project into the delivery phase for another 2 years once there is sufficient capacity in the programme and sufficient headroom in the programme cashflow. Given this would create a significant delay to the completion of the masterplan, the analysis demonstrated that this option could not be progressed at this time. The option of freehold disposal would reduce the council's ability to influence what is delivered on the site, both in terms of the type of housing and the timescales it is delivered within therefore this option was not deemed proceedable. Disposal through an evaluated process allows greater certainty of delivery and gives the council much greater control to ensure a high-quality housing development with wider social benefits is delivered within agreed timescales.
44. To better inform the options analysis, the Housing Delivery Team have recently carried out further soft market testing with Registered Providers working in the city along with providers of private residential care homes, developers, and community housing groups to understand if the level of interest in developing the site has changed over the last two years. The soft market testing explored opportunities for the provision of housing, including that for older people, as either a self-supporting community housing group, residential care, extra care or independent living as well as seeking views on whether providers would be interested in the development opportunity if there were no restrictions on the site.
45. There were 7 positive responses received from Registered Providers (RPs) to the expression of interest as well as interest from a local community housing group. Expressions of Interest clearly demonstrated the site would need to be available on a 999 year lease or a freehold basis. Of the RPs that submitted positive submissions all were interested in the site as over 55s accommodation with the vast majority seeking to deliver a 100% affordable scheme with a large proportion of affordable rent along with a proportion of shared ownership. The community housing group have expressed an interesting in creating a self-supporting community which would include a number of residents aged over 55 years old alongside some younger members with families. The aim is to create an intergenerational community where members bring different skills and experiences. The development would provide age-appropriate housing, enabling residents to live at home and with independence for longer. The group are keen to provide affordable housing as

part of their offer. There may be other community housing groups interested in this development opportunity.

46. Whilst the delivery of affordable rented homes is an important element of a balanced community and addresses those most in housing need, evidence in the emerging Local Housing Needs Assessment (LHNA) demonstrates there is currently a significant lack of market and intermediate affordable tenures, such as shared ownership for older people. York has a large proportion of homeowners in later life, therefore those looking for alternative housing options are more likely to have some equity but are not able to afford, nor need, a full residential care setting. Developing mixed tenure housing options for people aged over 55 not only promotes independence but operates as a prevention strategy by trying to support homeowners into suitable future-proofed accommodation. There is the knock-on benefit of releasing the larger family houses back onto the market for younger families.
47. Given the level of interest in the site, this paper seeks approval to conduct a compliant procurement exercise advertising the opportunity for an older persons' housing development to both affordable housing providers and community housing groups setting out the scheme parameters and evaluation criteria. Disposing of the site through an evaluated procurement process allows the council to seek maximum social value from the sale of the land whilst achieving a capital receipt. The final criteria will be delegated to the Corporate Director of Place in consultation with Executive Member for Housing and Community Safety and the Executive Member for Finance and Performance however it is anticipated this criteria would include the level of capital receipt, tenure mix, sustainability, design and wider social/community value. The procurement criteria can also seek certainty of delivery through prescribed timescales and seeking commitment from bidders around the site logistics and minimising impact on the local community throughout the construction period. The successful bidder would be required to submit a full planning application for the site and this would enable local residents to engage with the process if they had specific concerns about the development proposals for the site.
48. In the case of a failed procurement for the disposal of this site it will be brought into the Housing Delivery Programme which may then have increased financial capacity, and a business case will be presented to Executive to seek a budget to develop the site directly.

Implications

Financial

49. The report makes recommendations for capital funding at Ordnance Lane funded from grant £2.43m, Lowfield Plot A (£400k) and Willow House (£1,000k), the latter two funded from HRA capital resources.
50. To date Members have approved £26.8m of resources across the Housing Delivery Programme from appropriations (£8m) and HRA resources excluding RTB's of £18.8m. The recommendation in this report increase that approval level to £28.2m.
51. This investment has been assumed within the latest update of the business plan however following the recent impact of inflation pressures across the HRA this has reduced the overall resources over the medium term.
52. As stated in the report current economic uncertainty has impacted both costs and income assumptions across the programme. The schemes once designed will require further Executive approval which will include most up to date assumptions.
53. The advantage of funding these schemes within the HRA is that the development can be delivered without incurring additional financing costs in construction. This can only be achieved where HRA resources can cash flow the development. It will be necessary to ensure the timing of schemes is arranged so that this potentially will impact the timing of delivery of the schemes.
54. Any capital receipt from the disposal of land at Lowfield Plot B is a general fund resource and will be used to support the financing of the overall capital programme.

Equalities

55. The Council needs to take into account the Public Sector Equality Duty under Section 149 of the Equality Act 2010 (to have due regard to the need to eliminate discrimination, harassment, victimisation and any other prohibited conduct; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it in the exercise of a public authority's functions). An Equalities Impact Assessment will be carried out in respect of each site at the appropriate time.

Procurement

56. Any proposed works will need to be commissioned via a compliant procurement process under the Council's Contract Procedure Rules and if applicable, the Public Contract Regulations 2015. The Commercial

Procurement team will need to be consulted alongside Legal Services, and the Insurance team so appropriate documents, contracts and processes can be completed.

57. Should the council proceed with a disposal that present restrictions, obligations and stipulations to the site(s), this will lead to a procurement and as such, the council will need to adhere to the Contract Procedure Rules and the Public Contract Regulations 2015.

Legal

58. As the Council would still own/retain some neighbouring land, if subsequently effecting disposals of any of the land referred to in this report (whether by freehold sale or grant of long lease) the Council could seek to impose a restrictive covenant limiting/restricting what the (disposed of) land could be developed/used for (for example prohibiting: (a) occupation of some or all of the housing by persons aged under 55; and/or (b) disposal/use of some or all of the housing on any basis other than as 'affordable housing' (whether shared ownership, discount sale or affordable rent). However it should be borne in mind that:

- i. This would reduce the capital receipt obtained;
- ii. This would not give the Council any power to require that the buyer actually develops the land;
- iii. In practice it may be difficult to monitor or enforce compliance with any such covenant(s);
- iv. The buyer may potentially subsequently be able to obtain an order from the First Tier Tribunal (part of the courts & tribunals system) discharging/releasing or relaxing/modifying the covenant if the buyer can persuade them that the covenant is obsolete/unnecessary or prevents a reasonable alternative use of the land (in the case of a leasehold disposal, the buyer can only make such an application to the Tribunal after expiry of the initial 25 years of the term (period) of the lease)

59. The land referred to in this report still sits within the General Fund. For any land within the General Fund:

Section 123 of the Local Government Act 1972 gives the Council power to dispose of General Fund land (including by granting lease) – the consent of the Secretary of State for Housing, Communities and Local Government is required for disposal of land at a consideration below market value but a General Consent Order gives Secretary of State consent to disposal of land for less than market value consideration provided both of the following conditions are satisfied: (i) the Council considers that the purpose of the disposal will improve the environmental, economic or social well-being of its

area; and (ii) the difference between the market value and the consideration being obtained does not exceed £2 million

Risk Management

Ordnance Lane

60. There is a risk that build cost inflation will challenge the viability of Ordnance Lane. This will be managed through the development of a full business case undertaken as the market stabilises and assumptions are ratified. Both the enabling works and the planning permission will have increased the value of the site.

Willow House

61. There is a risk the project will be delayed in planning as a result of the sensitive location of the scheme. To mitigate this risk design work is commencing early and will engage with a high-quality design team to ensure the proposals respond to their context.

62. Throughout RIBA 1-3 the project will need to be regularly reappraised to ensure it is still a viable proposition given the instability of the housing market.

Lowfield vacant plots

63. Access to the Lowfields site for both plots will be from Dijon Avenue which carries the risk on disruption to neighbouring communities. This risk can be reduced through engagement with bidders and contractors at an early stage to highlight the access constraints.

64. Lowfield Plot A has a number of site constraints including existing trees, a substation and proximity to existing buildings therefore the number and type of homes deliverable on the site may vary as the project progresses through detail design.

65. Options for delivery by third parties may be impacted by capital availability, cash flow, cost inflation, resource readiness or ground conditions.

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Date 31stJan 2023

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Wards Affected: List wards or tick box to indicate all

All

Fishergate

Guildhall

Westfield

For further information please contact the author of the report

Annexes

Annex 1 – Site plans for Ordnance Lane, Willow House, Lowfield Green vacant plots A and B

Abbreviations

RPs - Registered Providers of Housing

LNHA – Local Housing Needs Assessment