

**Meeting of the Executive Members for
Housing and Adult Social Services and
Advisory Panel**

30 October 2006

Report of the Director of Housing and Adult Social Services

HRA Land Disposal (Affordable Housing) - Victoria Way Update

Summary

1. This report presents the Executive Member with details of the site boundary for a proposed housing development at Victoria Way/Monkton Road and requests approval for the disposal of this land to a registered social landlord subject to satisfactory planning permission being obtained.

Background

2. The 11 September 2006 meeting of Housing and Adult Social Services EMAP approved the recommendations contained in the report '*Proposed disposal of Housing Revenue Account (HRA) land for affordable housing development*'. The report gave details of two sites – Victoria Way, and 5th Avenue that are proposed to be developed for affordable homes. Plans showing the boundaries of the sites were attached to the report.
3. For one of these sites, Victoria Way, further investigative work has shown that the site boundary needs to be slightly larger than that shown on the 11 September EMAP report for the proposed development to be viable. It is therefore considered prudent to seek confirmation of the approval for the long leasehold disposal of this site, with an amended boundary, to a Registered Social Landlord.

Consultation

4. Further to the consultation detailed in the 11 September EMAP report, the proposals for the site will also have been discussed at the Huntington and New Earswick Ward Committee on 12 October and the Heworth Ward Committee on 25 October. A verbal update on the outcome of these will be given at this meeting.

Options

5. Two options are presented for consideration.

6. Option One: To support the long leasehold disposal of the Victoria Way garage site as amended and shown at Annex One of this report to a housing association subject to the conditions that were approved at the 11 September Housing and Adult Social Services EMAP. This is the recommended option.
7. Option Two: To withdraw support for the long leasehold disposal of the Victoria Way garage site

Analysis

8. The Victoria way garage site is a small site which held 16 council garages. Ten of the garages were demolished in 2005/06 due to vandalism and a very low level of demand. Of the six remaining garages five are let on licenses with a one week notice period. The site is subject to considerable vandalism and anti-social behaviour to the detriment of the neighbouring community.
9. As shown on the site plan at Annex One, relatively little additional land is required for this proposed development, the plan presented at the 11 September EMAP is shown at Annex Two. There is no current access or right of way across this additional land and there would be no further impact on the community than in the existing proposals. Indeed, were this land not to be included as an integral part of any development there is a risk that it would become an area of nuisance and litter/dumping and the site would have a restricted viability. It should be noted that the parts of the area within the site are classed as public highway and these will be extinguished or incorporated within the development as part of the planning application/ permission process.

Corporate Priorities

10. Enabling the building of more affordable housing is a priority in the council's recently approved Housing Strategy 2006-2009. The proposals in this report will also contribute to the Council's Corporate Strategy 2006-09 including;
 - Improve the actual and perceived condition and appearance of the city's streets, housing estates and publicly accessible spaces.
 - Improve the life chances of the most disadvantaged and disaffected children, young people and families in the city.
 - Improve the quality and availability of decent affordable homes in the city.

Implications

11. **Financial**. The leasehold disposal of this site would generate a maximum capital receipt to the HRA of £40k subject to deductions for abnormal costs, which would need to be spent achieving the decent homes standard in order to retain 100% of the receipt, in line with the capital pooling regulations. Otherwise 50% of the receipt must be paid over to the Department of Communities and Local Government. The site has no significant open market value and as such could not generate a higher receipt than would be received in the option recommended. There are currently 6 HRA garages in use on the Victoria Way site and this will result in a maximum recurring revenue loss of

£1.5k to the HRA, which can be met from savings in repairs to the garages. It is intended that the sites will be sold as they are, therefore there will be no costs incurred associated with demolition or clearance.

12. **Property.** Interest from the private sector would be minimal because of the number of units proposed and the location of the site. It is not possible to comment on whether the price of £5,000 per plot for the land is a maximum sum that could be achieved. It is, however, the maximum that the Housing Corporation will permit. The decision for choosing housing association developments is that the benefits to the council in meeting corporate and housing objectives are greater than would be achieved if the sites were sold to private developers.
13. **Human Resources (HR).** There are no human resource implications
14. **Equalities.** There are no equalities implications
15. **Legal.** Enquiries are ongoing with Legal Services in respect of title checks being undertaken on the site. These are not expected to prohibit development as proposed. Once the long leasehold disposals have been negotiated, Legal Services will formalise the transactions.
16. **Crime and Disorder.** As part of the redevelopment of the site we will expect the housing to comply with Secured by Design principles and for the police architectural officer to be involved in an advisory capacity. In addition, redevelopment of the site will benefit the local community by removing areas where anti-social behaviour could take place.
17. **Information Technology (IT).** There are no information technology implications
18. **Other.** As indicated, there have been informal discussions held with planning and highways officers. These will continue in more detail as the proposals develop.

Risk Management

19. The risks associated with the recommendations of this report relate primarily to the deliverability of the site for affordable housing. It is difficult to quantify the risk as the site will be considered in its own right as all the planning and community considerations are worked through.
20. There is a financial risk of the council foregoing some or all of the anticipated capital receipts from the leasehold disposal of the site to a housing association either because of lack of planning permission or because of unexpected costs in developing it. However, the anticipated receipt is a 'windfall' and has not been assumed in any budget forecasts.
21. A wider corporate risk is that any reduction in the number of new affordable homes being built will increase pressure on the housing waiting list at a time when the need for more homes has rarely been greater. It will mean that

affordable housing targets in the Housing Strategy are harder to meet. It may also mean that the grant funding from the Housing Corporation could not be spent unless alternative development opportunities were found; something that will not reflect well on the local authority when future allocations of grant are being made.

22. If the site cannot be developed this might also mean the council has to look at other ways of solving problems of vandalism, security and the detrimental impact of the site on the local neighbourhood.
23. Nevertheless, in compliance with the council's risk management strategy it is not considered that the impact of these risks is so great as to warrant any special monitoring or separate action plan beyond the need of the Housing Strategy Manager to ensure regular project monitoring. It is worth emphasising that the opportunities for crime and disorder will be further reduced through the most effective use of this site area and the designing out of any 'dead' space such as that which would be left if this additional land is not included as an integral part of the development.

Recommendations

24. The Executive Member for Housing is asked to approve Option One of this report.

Reason: This will allow for a better designed development of housing that fully utilises the land available and does not leave areas of the site open to neglect or anti-social behaviour.

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Report Approved

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Wards Affected: Heworth

All *tick*

For further information please contact the author of the report

Background Papers:

'Proposed disposal of Housing Revenue Account (HRA) land for affordable housing development' Report to the meeting of the Executive Members for Housing and Adult Social Services and Advisory Panel, 11 September 2006.

Annexes

Annex One: Amended site boundary of Victoria Way garage site.

Annex Two: Original site boundary of Victoria Way garage site (as presented to Members at 11th September Housing and Adult Social Services EMAP)