

# SHEFFIELD CITY COUNCIL

## EXECUTIVE FUNCTIONS DECISION RECORD

The following decisions were taken on Wednesday 13 January 2016 by the Cabinet.

Date notified to all members: Friday 15 January 2016

The end of the call-in period is 4:00 pm on Thursday 21 January 2016

The decision can be implemented from Friday 22 January 2016

### **Item No**

#### **8. DISPOSAL OF LAND AT FRETSON ROAD AND QUEEN MARY ROAD KNOWN AS MANOR SITE 8**

8.1 The Executive Director, Communities submitted a report recommending the disposal of land at Fretson Road and Queen Mary Road, known as Manor 8, for a private housing development to Gleesons Development Ltd.

8.2 **RESOLVED:** That:-

- (a) the land be declared surplus to requirements;
- (b) the decision of Cabinet on 19 March 2014 be rescinded insofar as it relates to procurement of a developer for Manor 8 using the Homes and Communities Agency's Developer Panel;
- (c) the site, known as Manor 8 and identified on the plan attached to the report as Appendix B, be disposed of to Gleesons Development Ltd in the terms set out in the report and Appendix A;
- (d) authority be delegated to the Director of Capital and Major Projects, in consultation with the Executive Director, Communities to vary any boundaries or terms as required and to instruct the Director of Legal and Governance to complete the necessary legal documentation to dispose of the site; and
- (e) authority be delegated to the Director of Capital and Major Projects, in consultation with the Executive Director, Communities, to advertise the land on the open market should Gleesons and the Council have not entered into a binding contract within 12 months of this decision.

#### **8.3 Reasons for Decision**

8.3.1 In 2014 Cabinet gave approval to market the site, known as Manor 8, via the HCA Developer Partner Panel, however this was not successful. Prior to this Cabinet approved the disposal of the site in 2006 to Lovell Partnerships Ltd but this agreement was rescinded as Lovell were not able to progress the development

due to the onset of the economic downturn and fall in the housing market. No further interest has been shown in this site by developers.

8.3.2 Gleasons Development Ltd has approached the Council with a financial offer for the site and a commitment to develop 101 family homes for sale on the open market.

8.3.3 The offer from Gleasons Development Ltd complies with the vision for the area to introduce more housing choice and increase tenure choice.

#### 8.4 **Alternatives Considered and Rejected**

8.4.1 The site continues to be marketed via the HCA Developer Partner Panel. However this site has been available to the panel since 2014 and no interest has been received to date.

8.4.2 To not accept the offer from Gleasons Development Ltd. This would mean the site will remain undeveloped and the Council will continue to carry the maintenance liability for the site, forego the additional Council Tax and have the homes the city requires.

8.4.3 To advertise the land on the open market for sale and consider any offers that may be received. However, as the offer from Gleasons represents the open market value for the site and no other developers have come forward over a period of time, it is not anticipated that there will be any better offers forthcoming.

#### 8.5 **Any Interest Declared or Dispensation Granted**

None

#### 8.6 **Reason for Exemption if Public/Press Excluded During Consideration**

None

#### 8.7 **Respective Director Responsible for Implementation**

Laraine Manley, Executive Director, Communities

#### 8.8 **Relevant Scrutiny and Policy Development Committee If Decision Called In**

Safer and Stronger Communities

### 9. **HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN, HRA BUDGET AND RENT INCREASE 2016/17**

9.1 The Executive Directors, Communities and Place and Interim Executive Director, Resources submitted a joint report providing the 2016/17 update of the Housing Revenue Account (HRA) Business Plan including a number of proposals.

9.2 **RESOLVED:** That Cabinet recommends to the meeting of the City Council on 3

February 2016 that:-

- (a) the HRA Business Plan report for 2016/17 as set out in Appendix A of the report is approved;
- (b) the HRA Revenue Budget for 2016/17 as set out in Appendix B of the report is approved;
- (c) rents for Council dwellings, including Temporary Accommodation, are reduced by 1% from April 2016 in line with the requirements of the anticipated Welfare Reform and Work Act 2016;
- (d) rents for garages and garage sites remain frozen at 2015/16 levels and not increased from April 2016;
- (e) community heating charges are not increased from April 2016;
- (f) authority be delegated to the Director of Housing and Neighbourhoods to amend the burglar alarm charge in 2016/17 in line with the costs incurred under the new contract, and that until the contract is in place and the charges are known, the burglar alarm charge remains unchanged;
- (g) the Sheltered Housing service charge which was amended in November 2015 is not increased from April 2016;
- (h) charges for furnished accommodation are not increased from April 2016;
- (i) authority be delegated to the Director of Housing and Neighbourhoods and Director of Finance, in consultation with the Cabinet Member for Housing to authorise prudential borrowing as allowed under current Government guidelines; and
- (j) authority be delegated to the Director of Housing and Neighbourhoods and Director of Finance, in consultation with the Director of Legal and Governance and the Cabinet Member for Housing, to amend rent levels for 2016/17 in the event that the statutory requirements at the relevant time are different to those anticipated.

### **9.3 Reasons for Decision**

- 9.3.1 To optimise the number of good quality affordable Council Homes in the City.
- 9.3.2 To maximise the financial resources to deliver key outcomes for tenants and the City in the context of a self-financing funding regime.
- 9.3.3 To ensure that tenants' homes continue to be well maintained and to optimise investment in estates.
- 9.3.4 To assure the long term sustainability of council housing in Sheffield.

**9.4 Alternatives Considered and Rejected**

9.4.1 Delays to some parts of the investment programme have been required this year to address the cash flow issue created by the rent reductions in parallel with the Government debt cap. These delays could be achieved by reducing the stock increase programme. However at a time when social housing numbers are set to reduce ever faster as a result of newly announced Government policy (extension of the Right to Buy to Housing Association tenants, sale of Vacant High Value Local Authority Housing and Pay to Stay) the funding of the stock increase programme is considered to be a high priority.

9.4.2 A range of savings options have been identified in order to bring expenditure down in line with the revised rental income forecasts following the rent reductions announced by Government this summer. These have been consulted on and are recommended for implementation in this report. Further savings will be needed and options will be developed in the coming months and brought forward for consultation.

**9.5 Any Interest Declared or Dispensation Granted**

None

**9.6 Reason for Exemption if Public/Press Excluded During Consideration**

None

**9.7 Respective Director Responsible for Implementation**

Laraine Manley, Simon Green, and Eugene Walker, Executive Directors, Communities and Place and Interim Executive Director, Resources

**9.8 Relevant Scrutiny and Policy Development Committee If Decision Called In**

N/A

(Note: This is subject to approval at Full Council at its meeting to be held on 3 February 2016 and is not subject to call-in).