



SHEFFIELD CITY COUNCIL Cabinet Report

Report of: Executive Director (Place)

Date: 19 June 2013

Subject: Disposal of Errington Sites B & C, Arbourthorne.

Author of Report: Christine Rose (273 4373)

Summary:

This report seeks authority to dispose of two cleared sites at Arbourthorne, referred to here as Errington Sites B & C, to Sanctuary Housing Association (SHA) for the development of affordable housing. The new homes would offer a relocation option for those households affected by the demolition scheme in the area (as approved by Cabinet on 08 May 2013).

Delivery of the proposed affordable housing scheme requires the Council to dispose of the sites to SHA at nil consideration.

Reasons for Recommendations:

The development of housing on these sites would benefit the local economy, provide opportunities for local labour and contribute to the physical regeneration of Arbourthorne. The Council would also benefit from funds generated through the New Homes Bonus scheme, which includes additional financial incentives for providing affordable homes.

The provision of affordable housing would provide additional relocation options for Arbourthorne residents affected by demolition and help meet the identified shortfall of affordable housing in the City.

Recommendations:

- R1 That the land now shown at Appendix A as Errington Site B be declared surplus to the requirements of the City Council and disposed to Sanctuary Affordable Housing Limited at nil consideration for use as social housing
- R2 That the land now shown at Appendix A as Errington Site C be declared surplus to the requirements of the City Council and subject to the availability of further grant funding and the submission to the City Council of an acceptable scheme disposed to Sanctuary Affordable Housing Limited at nil consideration for use as social housing
- R3 That the Director of Capital and Major Projects in consultation with the Director of Regeneration and Development Services be authorised to agree an acceptable scheme for Errington C.
- R4 That the Director of Capital and Major Projects in consultation with the Director of Regeneration and Development Services be authorised to negotiate and agree terms for the disposal of the land for the purposes set out in the report including the variation of any boundaries as required and the Director of Capital and Major Projects be authorised to instruct the Director of Legal Services to complete the necessary legal documentation.
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Background Papers:

Category of Report: OPEN except for Appendix C: CLOSED

Appendix C is not for publication because it contains exempt information under paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended)

Statutory and Council Policy Checklist

Financial Implications
YES Cleared by: Chris Nicholson
Legal Implications
YES Cleared by: Andrea Simpson
Equality of Opportunity Implications
YES Cleared by: Ian Oldershaw
Tackling Health Inequalities Implications
NO
Human rights Implications
NO
Environmental and Sustainability implications
YES
Economic impact
YES
Community safety implications
YES
Human resources implications
NO
Property implications
YES
Area(s) affected
East Community Assembly
Relevant Cabinet Portfolio Leader
Cllr Harry Harpham
Relevant Scrutiny and Policy Development Committee if decision called in
Safer and Stronger Communities
Is the item a matter which is reserved for approval by the City Council?
NO
Press release
YES

Disposal of Errington Sites B & C, Arbourthorne

1. SUMMARY

- 1.1 This report seeks authority to dispose of two cleared sites at Arbourthorne, referred to here as Errington Sites B & C, to Sanctuary Housing Association (SHA) for the development of affordable housing. The new homes would offer a relocation option for those households affected by the demolition scheme in the area (as approved by Cabinet on 08 May 2013).
- 1.2 Delivery of the proposed affordable housing scheme requires the Council to dispose of the sites to SHA at nil consideration.

2. WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

- 2.1 There is a shortfall of affordable housing within Sheffield and the scheme would add to the stock of high quality affordable accommodation in the City.
- 2.2 For residents of Arbourthorne affected by demolition, it would provide another affordable local relocation option as an alternative to existing Council homes, which would then ease the demand on those properties and hasten the rehousing process.

3. OUTCOME AND SUSTAINABILITY

- 3.1 The provision of additional affordable housing in Arbourthorne would help sustain that community by minimising the disruption caused by the demolition process and allowing residents to continue living in the area.
- 3.2 SHA are committed to supporting local labour and this development would create employment opportunities for local people.

4. BACKGROUND

- 4.1 The Errington development sites (A, B & C), shown at Appendix A, were created by the demolition of non-traditional "5M" style Council properties. The demolition of the properties on the Errington sites was known as Phase 1.
- 4.2 Errington Site A is already under development, following Cabinet's decision in September 2011 to dispose of the site to SHA. The development of 52 affordable rented apartments for older people is expected to complete in April 2014.
- 4.3 On 08 May 2013, Cabinet authorised the demolition of Arbourthorne Phases 2 and 3. Appendix B shows the Errington sites in relation to these phases.

- 4.4 Following delays to another SHA scheme elsewhere in the region, funding has become available to deliver 44 affordable rented homes. SHA approached the City Council with a proposal to extend their existing involvement in Arbourthorne by developing these homes there.

5. PROPOSAL

- 5.1 It is proposed to develop 44 homes for Affordable Rent on Errington Site B – a mix of 2, 3 and 4 bedroom homes.
- 5.2 SHA have drawn up a sketch plan to develop 31 additional properties on the remainder of the cleared site (Errington Site C). Funding has not yet been sought for this site. SHA would seek HCA funding if Cabinet approves the disposal.
- 5.3 All properties would be subject to 100% nominations from the Council on initial lets, meaning they would be part of the Demolition Band set up for those affected by the Arbourthorne demolition scheme.
- 5.4 The funding for Site B has become available in the 2011/15 Affordable Homes Programme, which means the scheme must be completed by March 2015.

6. FINANCIAL IMPLICATIONS

- 6.1 The viability of these schemes depends on the Council making the land available for nil consideration. This is demonstrated by the review of SHA's development appraisal contained in a Closed Appendix C.
- 6.2 Disposing of Errington Site B to SHA for nil consideration would equate to a Council contribution towards the provision of affordable housing of £176,000, based on the current valuation of the site.
- 6.3 Disposing of Errington Site C to SHA for nil consideration would equate to a Council contribution towards the provision of affordable housing of £124,000, based on the current valuation of the site.
- 6.4 The sites sit within the Housing Revenue Account. No provision has been made within the Neighbourhoods Investment Programme for a capital receipt being generated from the sale of this land, so there is no direct impact on the planned capital programme.
- 6.5 The development of affordable housing on these sites would produce a significant benefit to the Council through the government's New Homes Bonus scheme, which includes additional financial incentives for affordable homes. This would amount to over £8,000 per unit over six years.
- 6.6 The Council currently pays for the maintenance of the cleared site so

there would be a saving following transfer to SHA.

7. LEGAL IMPLICATIONS

- 7.1 When deciding whether to dispose of a site at a discount to its market value it must be considered whether the proposed disposal would be in the interests of the City and its inhabitants as a whole and council tax payers and would be consistent with the effective, economic and efficient discharge of the Council's functions.
- 7.2 The land is held for the purposes of Part II of the Housing Act 1985 and the power to dispose is under Section 32 of that Act and subject to Secretary of State's consent.
- 7.3 Disposal of the site to SHA at nil consideration to enable the development of affordable homes would constitute assistance in connection with privately let housing accommodation and would require the consent of the Secretary of State under Section 25 of the Local Government Act 1988. A General Consent has been issued for financial assistance or gratuitous benefit consisting of disposal of land to registered providers of social housing for development as housing accommodation. No further consent under section 32 of the 1985 Act is needed.
- 7.4 Although Sanctuary Housing Association is the group name for the Registered Provider, the disposal would be to Sanctuary Affordable Housing Limited, which is the part of the SHA group that owns Affordable Rented homes.

8. EQUALITY OF OPPORTUNITY IMPLICATIONS

- 8.1 This project should be of universal positive benefit to all local people regardless of age, race, sex, faith, disability, sexuality, etc. No negative equality impacts have been identified.

9. ALTERNATIVE OPTIONS CONSIDERED

- 9.1 The Housing Revenue Account Business Plan includes a proposal to build 75 new Council houses over the next three years, so the Council could look to develop Errington B & C itself. However, this would require more preparatory work, which would delay the development process and mean that relocation options were not in place as quickly for residents affected by demolition. It would also mean that the HCA grant being made available via SHA would be lost to the city and that the Council would not be able to pursue new Council housing in any other areas.
- 9.2 A private housing development would not be a viable proposition in the current housing market, so the alternative is to retain the site for future disposal. Whilst this might eventually yield a capital receipt for the

Council, the site would be left vacant for the foreseeable future. This would be detrimental to the regeneration of Arbourthorne and would hinder the rehousing process for those residents affected by demolition.

10. REASONS FOR RECOMMENDATIONS

- 10.1 The development of housing on these sites would benefit the local economy, provide opportunities for local labour and contribute to the physical regeneration of Arbourthorne. The Council would also benefit from funds generated through the New Homes Bonus scheme, which includes additional financial incentives for providing affordable homes.
- 10.2 The provision of affordable housing would provide additional relocation options for Arbourthorne residents affected by demolition and help meet the identified shortfall of affordable housing in the City.

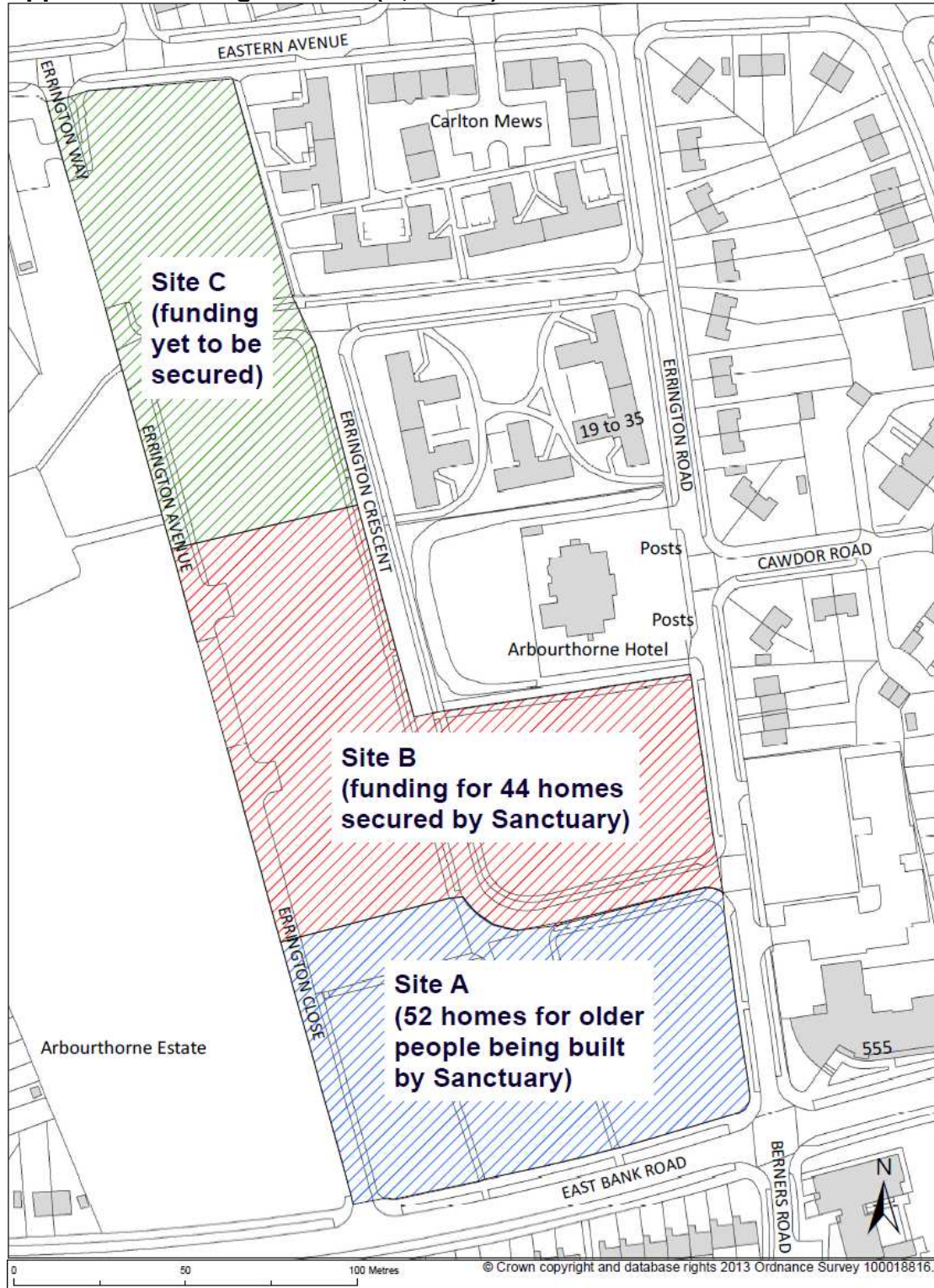
11 REASONS FOR EXEMPTION

- 11.1 Appendix C of this report is presented as an exempt item because it contains exempt information under paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended). The reason for its exemption is that the Appendix contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

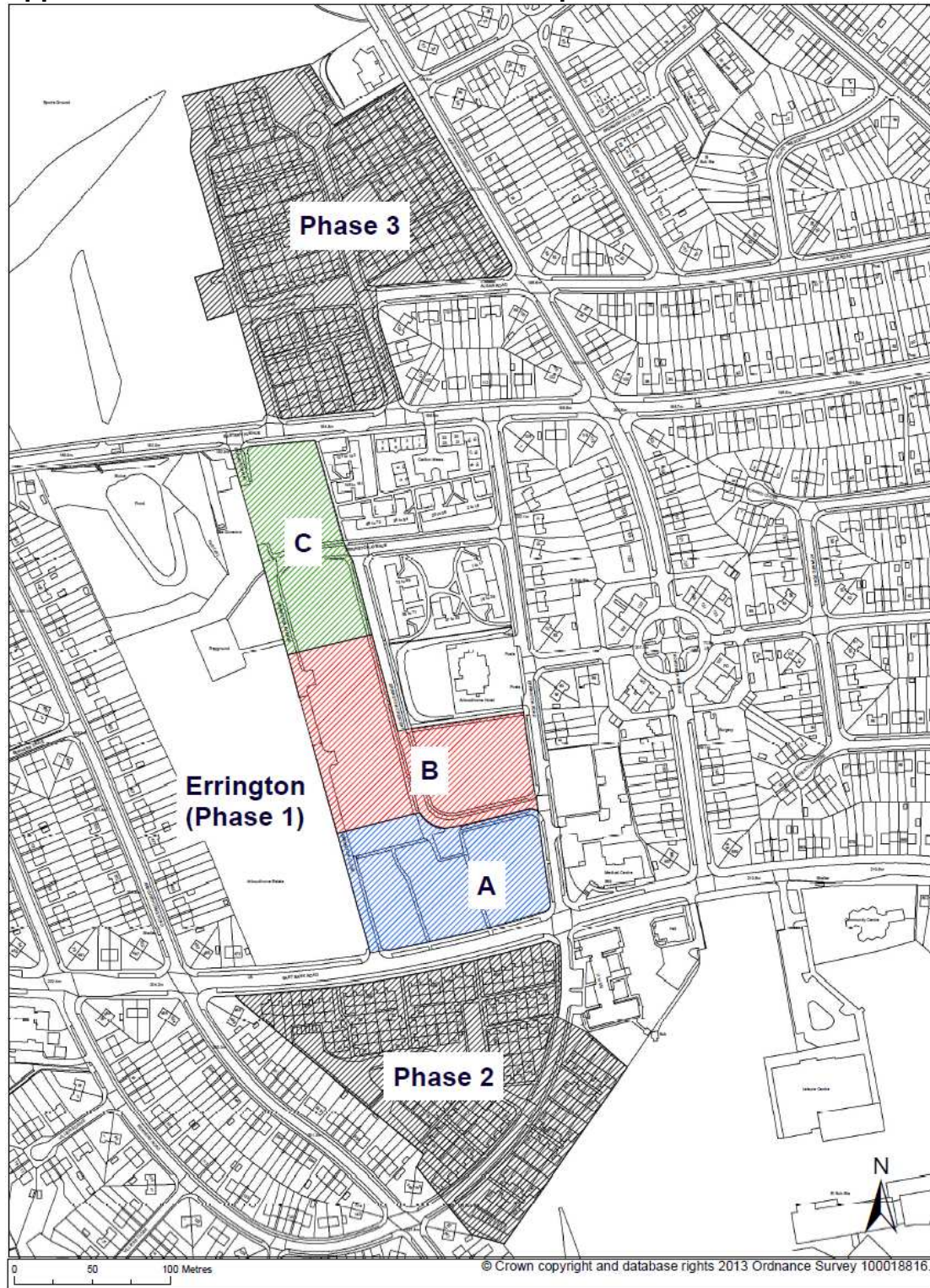
11. RECOMMENDATIONS

- R1 That the land now shown at Appendix A as Errington Site B be declared surplus to the requirements of the City Council and disposed to Sanctuary Affordable Housing Limited for use as social housing
- R2 That the land now shown at Appendix A as Errington Site C be declared surplus to the requirements of the City Council and subject to the availability of further grant funding and the submission to the City Council of an acceptable scheme disposed to Sanctuary Affordable Housing Limited for use as social housing
- R3 That the Director of Capital and Major Projects in consultation with the Director of Regeneration and Development Services be authorised to agree an acceptable scheme for Errington C.
- R4 That the Director of Capital and Major Projects in consultation with the Director of Regeneration and Development Services be authorised to negotiate and agree terms for the disposal of the land for the purposes set out in the report including the variation of any boundaries as required and the Director of Capital and Major Projects be authorised to instruct the Director of Legal Services to complete the necessary legal documentation.

Appendix A: Errington Sites (A, B & C)



Appendix B: Arbourthorne Fields Redevelopment Sites



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