

Report

Subject : Disposal of land at Chatham Close, Salisbury for Affordable Housing

Report to : The Cabinet

Date : Wednesday 28 March 2007

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Cabinet Member for Community & Housing: Councillor Cole-Morgan

1. Summary

1.1 This report presents to members the final proposal for the disposal of land at Chatham Close for affordable housing and the re-provision of the community centre

2. Decisions previously made

2.1 For some three years proposals for the regeneration of the Stratford Social Club, Chatham Close and development of new affordable homes have been progressing with a number of key decisions already having been made. These are as follows:

Date	Cabinet / Committee	Decision
25 March 2003	City Area	That the principle of the disposal of the precept land be approved subject to: I. Suitable terms and conditions being agreed; II. Satisfactory agreement being reached with all other stakeholders; III. Planning Permission being obtained; IV. Acceptable financial arrangements being agreed V. The submission of a further report (including details of the financial implications of any disposal) to this committee.
26 November 2003	Cabinet	Agreed: that approval in principle be given to the preferred Option 1 being: In order to facilitate the development of the new community resources the value of the land is reduced to a figure that will require no further financial contributions from the council.
15 April 2005	City Area	Resolved that: I. It be recommended to Cabinet that in principle the disposal of the required area of the car park to enable a planning application to be submitted, including the proposed land swap with the Rugby club be approved. II. That City Area receive a full report once all planning and other issues have been resolved.



Awarded in:
 Housing Services
 Waste and Recycling Services



11 May 2005	Cabinet	Agreed: to approve the preferred option 1, including the land swap with the Rugby Club, and to receive a full report once all planning and other issues have been resolved. (Option 1 was to endorse the decision made by City Area)
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3. Current Position

- 3.1 The council together with Signpost Housing Association, Stratford Social Club, Salisbury Rugby Club, The Scouts and the local community have been consulting on plans to redevelop the area of land, as identified on the attached site plan, to provide a new community facility and 27 new affordable homes.
- 3.2 Extensive consultation with stakeholders and detailed discussions with planning officers have now reached a point where there is a proposed scheme that is deliverable subject to a planning permission. The scheme will comprise of:
 - I. The construction, on Council retained land, of a new Community Resource centre that will include facilities for the Stratford Social Club, The Scouts and weight lifters club. Signpost will be development agents for the council for the construction of the new building.
 - II. Provision of twenty seven new affordable homes.
- 3.3 The Housing Corporation has also approved a grant allocation of £2,147,393 that requires Signpost Housing Association to start on site by December 2007.

4. Disposal

- 4.1 To enable the scheme to proceed, approval is now sought to dispose of the land to Signpost Housing Association as drawn on the attached plan. A condition of the disposal is that the Housing Association constructs, on Council retained land, and hands over to the council a new Community Resource Centre. The existing arrangements for Stratford Social Club and the Scouts will continue in the interim.

5. Valuation of the site

- 5.1 The cost for constructing the new Community Resource centre is estimated at £673,000. Signpost Housing Associations valuation of the site is £780,000, taking into consideration that the site will be providing affordable housing.

6. Rent values

- 6.1 Planning ahead, the council will need to determine and provide an indication of the anticipated rental values to prospective tenants of the new Community Resource centre. Humberts have advised market rates for community use are in the region of:
Community Resource - £15,000 pa
Scout facility - £3,000 pa
- 6.2 There is a sizeable difference between agreed rents charged by the council (currently £6,400 pa for the Stratford Road Social Club and £275 pa for the Scouts) and what could be levied at the new centre and the Scouts facility respectively. In order to reduce the impact and allow the tenants to develop their services and facilities it is proposed that officers develop stepped rents over a 3 year period. This would enable organizations to grow their income and plan for rent increases in order to meet the agreed value. The alternative is to levy the full rent value from day one but this may prove difficult for organizations to meet given the difference.

7. Recommendations:

Cabinet are recommended to Approve:

- I. The disposal of the site as identified on the attached plan to Signpost Housing Association conditional on the construction and delivery of the Community Resource centre by December 2009.
- II. That the Head of Strategic Housing in consultation with the Head of Legal and Property be authorized to negotiate with the proposed tenants to agree stepped rents to achieve market rents based on community use valuations for users of the new centre over a three year period.
- III. That the Head of Legal and Property be authorized to enter into negotiation to lease the premises to prospective tenants.

8. Implications:

Financial:	None in respect of this report. The decision on 23 November 2003 approved that the capital receipt of £500,000, be offset against the provision of a new Community Resource centre.
Legal:	<p>The council is required by section 123 of the Local Government Act 1972 to dispose of land on the best terms reasonably obtainable unless it receives the Secretary of State's consent. This would normally mean disposal on the open market rather than to a selected buyer. However independent valuation advice has been obtained and disposal to a RSL for affordable housing meets one of the council's priorities. In any event the General Disposal Consent [England] 2003 enables the council to dispose of land for the social economic or environmental well being of an area at an undervalue provided that the undervalue does not exceed £2M. Disposal is believed to comply with State Aid rules.</p> <p>Members of Cabinet who are members of any planning committee that will consider any application for planning permission will need to consider whether they excuse themselves from participating in the Cabinet decision or subsequently in any planning decision.</p>
Human Rights:	Article 8 (the right to respect for private and family life) does not confer the right to a home. Any loss of value to neighbouring landowners caused by the proposed development would not of itself be a basis for alleging any article 8 (right to respect for private life) or First Protocol Article 1 (protection of property) breaches. The interests of Stratford Social Club and of the Scouts will in all probability amount to property rights for the purposes of First Protocol Article 1[protection of property]
Personnel:	None in respect of this report
Community Safety:	None in respect of this report
Environmental:	None in this report
Council's Core Values	Promoting excellent service, supporting the disadvantaged, being fair and equitable, communicating with the public, wanting to be an open, learning council and a willing partner.
Wards affected:	Stratford Sub-Castle
Consultation undertaken	

