
Report to: Cabinet **Date of Meeting:** 7th November 2013

Subject: Disposal of Orrell School Phase 3 Site

Report of: Director of Built Environment **Wards Affected:** Derby

Is this a Key Decision? No **Is it included in the Forward Plan?** Yes

Exempt/Confidential No

Purpose/Summary

To seek Cabinet approval to dispose of the Orrell School Phase 3 site to Riverside Housing for the construction of new housing for affordable rent.

Recommendation(s)

It is recommended that Cabinet approves the disposal of the Orrell School Phase 3 site to Riverside Housing on the terms and for the reasons outlined in Appendix I of this report for the construction of 12no. 1 bedroom 2 person flats and 6no. 2 bedroom 4 person houses for affordable rent.

How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		X	
2	Jobs and Prosperity	X		
3	Environmental Sustainability	X		
4	Health and Well-Being	X		
5	Children and Young People		X	
6	Creating Safe Communities	X		
7	Creating Inclusive Communities		X	
8	Improving the Quality of Council Services and Strengthening Local Democracy		X	

Reasons for the Recommendation:

The site has been acquired as part of the former Housing Market Renewal programme by agreement and under Compulsory Purchase powers for residential development. The scheme is the final phase of planned residential development on the site.

What will it cost and how will it be financed?

(A) Revenue Costs: Nil

(B) Capital Costs: Nil

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal: The site has been acquired by agreement and using Compulsory Purchase powers for the purpose of redevelopment as part of a large scale regeneration programme and at a cost of around £600,000, with funding provided from external HMR Grant, which was available to us solely for this purpose.

Local Authorities have powers under sections 123 and 127 of the Local Government Act 1972 to dispose of land subject to a requirement that disposal must be for the best consideration that is reasonably obtainable. In deciding upon what is the best consideration the Authority should comply with normal and prudent commercial practices including obtaining the view of a professionally qualified valuer.

By Circular 06/03: Local Government Act 1972 General Disposal Consent (England) 2003 it is not necessary for the Council to obtain the consent of the Secretary of State for the disposal of the land which the Council considers will help to secure the promotion or improvement of the economic, social or environmental well-being of its area. Disposal at less than best consideration is subject to the condition that the under value does not exceed £2million. For the reasons states in Appendix I it is not considered that this land is undervalued for the proposed end use.

Human Resources: There are no additional human resources required as a consequence of this expenditure.

Equality

- | | |
|---|-------------------------------------|
| 1. No Equality Implication | <input checked="" type="checkbox"/> |
| 2. Equality Implications identified and mitigated | <input type="checkbox"/> |
| 3. Equality Implication identified and risk remains | <input type="checkbox"/> |

Impact on Service Delivery:

This will ensure that the Council can continue to deliver an appropriate service that is fair and equitable to existing residents.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD 2595) has been consulted and notes the proposed sale of the site for £1 on the basis of the issues outlined in Appendix I

The Head of Corporate Legal Services (LD1900) has been consulted and comments have been incorporated into the report

Are there any other options available for consideration?

The site was Compulsory Purchased by the Council in order to redevelop with new housing. There are no viable alternative options other than to leave the site undeveloped which would be contrary to the express purpose of the CPO and aims of the Housing Market Renewal Programme (HMR).

As an area currently undergoing significant regeneration the low value of residential accommodation in the area, and increased development costs limits the value of the land to the point where a market led scheme would likely be unviable.

Implementation Date for the Decision

Upon the expiry of the "call-in" period following the Cabinet Meeting

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Background Papers:

None

BACKGROUND:

- 1.1 The Orrell School Phase 3 area forms part of the Housing Market Renewal priority area in the Klondyke neighbourhood of Bootle.
- 1.2 This area was identified as one of Sefton's priority areas for intervention in 2003 following extensive research and consultation with the local community. The area was selected to be part of the Housing Market Renewal programme primarily because of the extent of housing market failure and the poor residential offer provided by the existing housing.
- 1.3 In July 2004 members approved the adoption of Supplementary Planning Guidance detailing the adopted strategy for the area. This included the re-development of the former school and retail units which fronted Hawthorne Road.
- 1.4 The site was fully assembled following Compulsory Purchase Orders which were issued by the Council in 2005 and confirmed by the Secretary of State in 2007.

DEVELOPMENT PROPOSALS:

- 2.1 The scheme developed for the site will see 18 properties constructed for Affordable rent by the Council's partner Registered Housing provider Riverside Housing using grant provided by the Homes and Communities Agency (HCA), together with their own private borrowing. Riverside Housing are the Council's partner housing association for the Orrell School site.
- 2.2 The proposed scheme complies fully with the Council's masterplan and Supplementary Planning Guidance for the area.

Appendix I of this report is NOT FOR PUBLICATION by virtue of part 3 of Schedule 12A of the Local Government Act 1972. The public interest test has been applied and favours the information being treated as confidential.

The restricted content is contained in Appendix I of this report.

Should members wish to discuss Appendix I, the restricted content, they must do so without public and press in attendance.