

Report to:	Cabinet	Date of Meeting:	26 July 2018
Subject:	Housing DevCo – Land Assembly		
Report of:	Head of Commercial Development – Christian Rogers	Wards Affected:	All;
Portfolio:	Cllr. Patricia Hardy		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No - but the Appendices to the report are NOT FOR PUBLICATION by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. The Public Interest Test has been applied and favours the information being treated as exempt.		

Summary:

The approved Business Case for Sefton Council's Housing Development Company proposes numerous sites for possible development. In some cases, in order to maximise the viability and potential returns of a specific site, the Business Case recognises the need for land assembly through the strategic acquisition of sites. This report proposes the acquisition of a site.

Recommendation(s):

(1) To approve the recommendations in Appendix 1.

Reasons for the Recommendation(s):

The reasons for this recommendation are detailed in the attached commercial proposal at Appendix 1.

Alternative Options Considered and Rejected: (including any Risk Implications)

An options appraisal is contained in the attached commercial proposal at Appendix 1.

What will it cost and how will it be financed?

(A) Revenue Costs

Should the acquisition of the site proceed, the Council will incur debt charges based upon a 5 year loan. However, the anticipated income stream following the sale of houses will be used to finance the borrowing cost.

(B) Capital Costs

Acquisition of the site will require the Council to borrow from the Public Works Loan Board.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets): All resource implications are contained within the attached commercial proposal at Appendix 1.
Legal Implications: This Cabinet Report complies with the requirements of Paragraphs 3 of Part 1 of Schedule 12A of the Local Government Act 1972.
Equality Implications: There are no equality implications.

Contribution to the Council's Core Purpose:

Protect the most vulnerable: N/A
Facilitate confident and resilient communities: In creating more good quality housing in viable locations, the Council can enable more Sefton residents or people moving to Sefton to enter into the housing market and thus help diversify it. The ability of a diverse mix of buyers to obtain housing in the borough will not only inspire confidence through being able to set down roots here, but also create a more resilient community of people at different stages in their life and on the property ladder. The proposed land assembly allows for the creation of a larger and more viable site, which in turn support the Council in achieving these goals.
Commission, broker and provide core services: Projected returns to the council, as sole shareholder, from the Housing DevCo will provide revenue to contribute towards service provision. The proposed land assembly will help to maximise that return.
Place – leadership and influencer: Quality housing is a significant contributor to building a sense of place. The land assembly proposed will help to maximise the number of quality houses developed.

Drivers of change and reform:

Improving physical infrastructure generally and housing in particular is a significant contributor to and catalyst for change in terms of improved outcomes for Sefton residents. The proposed land assembly will help to maximise these benefits.

Facilitate sustainable economic prosperity:

The new quality housing that will be delivered by the Housing DevCo will make a significant contribution to the local economy both in terms of local construction and engineering employment opportunities but also providing more housing choice to attract people who wish to live and work in Sefton and the wider city region.

The proposed land assembly supports the Housing Development Company in achieving these goals.

Greater income for social investment:

Through the development and sale of housing, the Housing DevCo will deliver new revenue to the council for social reinvestment.

Cleaner Greener

The housing developed on the larger site will be fully compliant with all national and local regulations (including Building and Planning regulations) as well as Sefton cleaner and greener policies.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Head of Corporate Resources (FD 5216/18) and Head of Regulation and Compliance (LD 4440/18) have been consulted and any comments have been incorporated into the report.

In addition the report author has worked closely with a range of officers in the Council including, the Executive Director.

(B) External Consultations

A number of specialist professional consultants have advised on the business case for the Housing DevCo (which was approved by Cabinet in October 2017), including, Ridge, Keppie Massey and Arcadis. This included assessment of the acquisition proposed in this report.

This advice included detailed site investigations and risk assessments as well design options and valuations.

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

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Appendices:

The following appendices are attached to this report:

Appendix 1 – Commercial Proposal

Background Papers:

Please refer to the Housing Development Company Business Case.

1. Introduction/Background

- 1.1 The Sefton Local Plan identifies the need for 11,000 new housing units (all types and classifications), to be built by 2030 at a rate of circa 650 units per year.
- 1.2 The private and third sector already operate and provide housing at all levels, however supply is in shortfall currently. Access to land identified in the Local Plan requires a different approach to risk and the Council is in a good position to lead on delivering on these sites (if proved viable) particularly where there are environmental or community sensitivities that require thorough engagement and consultation.
- 1.3 Where the Council does elect to lead, develop, and deliver housing it will do so with due consideration to each community that will be affected, after significant appraisal and consultation with communities, and managing the consequences of unforeseen issues.
- 1.4 The attached commercial proposal for land assembly will support the objectives of the Housing DevCo, which ultimately supports the realisation of Sefton’s Vision 2030.