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|  14th March 2012 | | Agenda Item No. 7 |
| Title Disposal of Council Owned Land at Kingsway, Leamington Spa. | | |
| For further information about this report please contact | | Housing and Property Services & Community Partnership Team (ext 6422 and 6019) |
| Wards of the District directly affected | | Brunswick |
| Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006? | | No |
| Date and meeting when issue was last considered and relevant minute number | | Executive 8 th June 2011 Minute 17 Executive 2 nd March 2011 Minute 151 |
| Background Papers | | |

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| Contrary to the policy framework: | No |
| Contrary to the budgetary framework: | No |
| Key Decision? | Yes |
| Included within the Forward Plan? (If yes include reference number) | No |
| Equality & Sustainability Impact Assessment Undertaken | No |
| EIA has already been completed by Housing and Property Services on the provision of affordable housing. | |

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| Officer/Councillor Approval | | |
| Officer Approval | Date | Name |
| Chief Executive/Deputy Chief Executive | | Chris Elliott, Bill Hunt |
| Head of Service | 20.02.12 | Jameel Malik |
| CMT | | Andrew Jones |
| Section 151 Officer | 20.02.12 | Mike Snow |
| Monitoring Officer | | Andrew Jones |
| Finance | 20.02.12 | Mike Snow |
| Portfolio Holder | 21.02.12 | Councillor Vincett |
| Consultation & Community Engagement | | |
| Kingsway – resident consultation held September 2011. Meeting with Ward members, officers and residents held in December 2011. | | |
| Final Decision? | | Yes |
| Suggested next steps (if not final decision please set out below) | | |

1. SUMMARY

- 1.1 The purpose of the report is to recommend the transfer of land occupied by the former Kingsway Community Centre for affordable housing (see appendix 1) and to draw members' attention to the representations made by 6 local residents and the recommendations in response to these.

2. RECOMMENDATIONS

- 2.1 To approve the transfer of the land known as the former Kingsway Community Centre by way of a long leasehold to Waterloo Housing Group (WHG) under the terms of the Joint Venture Agreement (W²) to enable the delivery of 11 new affordable housing units.
- 2.2 Note that since the submission of the planning application 6 local residents have approached Officers of the Council requesting that the Community Centre be retained for community use rather than demolished for affordable housing.
- 2.3 To decline the request of the residents to have the next 3-6 months in which to develop the community proposal more fully.
- 2.4 To agree to the proposal that 1 of the 11 dwellings proposed for the Kingsway site is converted into a community hub facility, subject to agreement from the local residents. If the residents refuse this offer then the apartment will be used as affordable housing.

3. REASONS FOR THE RECOMMENDATIONS

- 3.1 In June 2011 Executive approval was given for the District Council to enter into a legally binding unincorporated Joint Venture Agreement (W²) with WHG, the key objective of which is to deliver at least 300 units of affordable accommodation across the district. The Joint Venture was signed on 21st November 2011.
- 3.2 Since entering into the Joint Venture Agreement, W² has worked up proposals to develop the first flagship site for affordable housing at the land occupied by the former Kingsway Community Centre (Appendix 1). A planning application was submitted in September 2011 for the provision of 11 new dwellings (comprising 2 x 3 bedroom and 3 x 2 bedroom houses and 6 x 2 bedroom apartments to be provided for affordable rent) with associated car parking and landscaping. The proposals also include enhanced energy efficiency measures that will reduce carbon emissions and have a positive impact for tenants on their fuel bills.
- 3.3 In order for this development to come forward Executive approval is now required to dispose of the land by way of long leasehold to WHG
- 3.4 The aforementioned site had been occupied on a leasehold basis since the early 1960's when the Community Centre was erected and was most recently operated as a social club. However, due to a drop in membership numbers the lease was surrendered in May 2009 and ownership returned to the Council. The centre has been closed since this date.
- 3.5 The proposed redevelopment will regenerate the site, improve the area by providing a high quality housing scheme; relieve the Housing and Property

Service of a maintenance and council tax liability; increase the council tax base by way of an additional 11 new dwellings being erected; contribute towards the New Homes Bonus allocation in 2013/14 and provide a capital receipt for the Council with the land being disposed of at market value.

- 3.6 The dwellings will provide the opportunity to meet specific needs of households requiring adaptations, including the provision of purpose built wheelchair accessible properties, as well as enhanced energy efficiency measures being installed to reduce households' energy bills. All properties will be allocated through the Council's HomeChoice Scheme to households in housing need.
- 3.7 In September 2009 a resident's survey was undertaken to gauge the level of need for this type of community facility. There was an indication from the community that they would like a licensed social club with activities and initial discussions took place around developing the land for affordable housing and incorporating a smaller community facility. However, this was not progressed due to a change in structures and personnel within Housing and Property Services.
- 3.8 A further resident consultation event was held in September 2011, prior to the submission of the planning application, where the proposals were broadly accepted and no overriding need for a community facility emerged.
- 3.9 A handful (6) of local residents approached the Council in December 2011, requesting that the existing facility be retained as they believe there is still a demand for it. Residents have been advised that there are existing community facilities within the neighbourhood and given the fact there will be no council funding available for new facilities it could be feasible for the majority of activities listed by the residents (appendix 2) to be already catered for at the Westbury Centre and Brunswick Healthy Living Centre.
- 3.10 The request from these 6 local residents to have a period of between 3-6 months to allow them to form a management team, carry out a full structural survey, investigate all possible funding options and prepare a full business plan for use of the Community Centre, is not considered financially feasible or realistic.
- 3.11 The financial resources that would be required for both internal and structural work alone to bring the building up to a standard that is fit for purpose, is estimated to be in the region of £235,000.
- 3.12 The offer of a community hub within the proposed housing development would be delivered more cost effectively than refurbishing the current centre, and would be more economically viable to sustain.
- 3.13 The community hub could provide a range of services and activities to meet the majority of needs outlined by the Kingsway residents. This type of community hub has proved very successful on the Packmores Estate (opened in 2008) in West Warwick. Appendix 3 details the scope of activities a facility such as this can provide.
- 3.14 Nevertheless, the 6 residents are adamant that there is a need for the community facility to be retained at the current Kingsway site. Although the centre has been closed for just short of 3 years, the residents are asserting that they haven't been given the opportunity to demonstrate demand, as the 2009

proposals were never taken forward. Furthermore, they argue that whilst the Westbury Centre and Brunswick Healthy Living Centre are in the Brunswick ward they do not consider them to be accessible for the residents within the Kingsway locality as they're located half a mile away from the Kingsway Community Centre (see map at appendix 4 – to follow). In order to give the residents the opportunity to demonstrate the demand for their own tailored centre, it is proposed that 1 of the 11 flats be converted into a community facility on a fixed termed tenancy.

- 3.15 The occupying group would still be required to pay rent on the dwelling and terms and conditions of use would have to be agreed with WHG. WDC Officers would help the community manage the facility, similar to the Packmores model.
- 3.16 This arrangement would be reviewed 6 months prior to the expiration of the fixed term tenancy and subject to demand, either be extended or terminated accordingly and returned to residential use.
- 3.17 The recommendations would not only achieve the priority of delivering affordable housing, but would also meet the majority of community needs that the residents have highlighted in a cost effective way.
- 3.18 This arrangement would not meet the residents request for a licensed bar facility to provide revenue funding to cover maintenance and running costs and cater for social functions (as was the case when the Kingsway Community Centre was open). The offer of an apartment on the proposed new development for community use would negate the need for such a licence, as this facility would not be dependent on revenue funding from its users.
- 3.19 Furthermore, any social events that required a licence could be held at the Westbury or Brunswick Centres and a temporary event notice license be applied for 10 days prior to the event. The Sun Inn, Splendour and the Wheatsheaf public houses are also within walking distance of the site where social events could be held (see map at appendix 4 – to follow).

4. **POLICY FRAMEWORK**

- 4.1 The proposals directly contribute to Fit for the Future, and meet the vision and objectives of the Sustainable Community Strategy. The provision of high quality, affordable housing will help meet the housing needs of the residents of the district, and by increasing the overall supply will help to ease some of the housing pressures currently experienced in the District.

5. **BUDGETARY FRAMEWORK**

- 5.1 The W² agreement sets out the mechanism for payment for land transferred to WHG. WHG will pay full market value for the land. Payment will be deferred until year 3 and paid over a 9 year term. The Project Board will sign off the financial viability of the scheme to ensure it meets the terms of the Joint Venture.
- 5.2 By transferring the land to WHG the Council will receive a capital receipt for the land which has not generated an income since May 2009. In addition, the Housing Revenue Account is currently liable for Council Tax and maintenance.

- 5.3 The financial resources that would be required for both internal and structural work alone to bring the building up to a standard that is fit for purpose, is estimated to be in the region of £235,000.

6. **ALTERNATIVE OPTION(S) CONSIDERED**

- 6.1 Not to approve the disposal of the site will result in the Council retaining a redundant site that has security and repair liabilities with little prospect of the site being used to its full potential.
- 6.2 The Council could seek to dispose of the site on the open market, however, this would not secure the provision of affordable housing and the Council would lose its interest in the land. It would be a missed opportunity to deliver much needed affordable housing.
- 6.3 The Council could consider a Statement of Intent (Appendix 3) from the 6 residents of the Kingsway Estate who wish to purchase the site from the Council with a view to re-opening and reviving the Kingsway Community Centre. They are requesting 3-6 months to allow them to form a management team, carry out a full structural survey, investigate all possible funding options and prepare a full business plan. This is not considered a feasible option for the reasons outlined in points 3.10-3.18 above.

7. **BACKGROUND**

- 7.1 The Kingsway Community Centre was erected in the early 1960's as part of the development of the Kingsway estate. The land upon which the building was erected, along with the adjoining car park and grassed area is within the ownership of the Housing Revenue Account and under the jurisdiction of the Head of Housing and Property Services.
- 7.2 The land was leased by the Council to the Royal Leamington Spa No.1 Community Association, under a ground lease, who were to use the land as a community centre for carrying on the functions and activities of the Royal Leamington Spa No.1 Community Association.
- 7.3 The ground lease commenced on 1st August 1962 and was for a term of 99 years that was due to expire on 31st July 2061.
- 7.4 The Centre was most recently run as a social club. However, due to a drop in membership numbers and a fall in the use of the building, the Royal Leamington Spa No.1 Community Association, surrendered the ground lease on 18th February 2009 and subsequently returned the Community Centre to the Council. The centre has been closed since this date.
- 7.5 In September 2009 a survey was undertaken in the neighbourhood to gauge the level of need for this type of facility. Whilst there was an indication from the community that they would like a licensed social club with activities (bingo and children's activities) and potential volunteers to run the centre, this was never progressed due to a change in personnel and restructures within the Council's Housing and Property Services. It should be noted that no active representations have been made to the Council from the Community between the survey being completed in 2009 and the planning application being submitted in September 2011.

- 7.6 Since entering into the Joint Venture Agreement, WHG have worked up proposals to redevelop the first flagship site for new affordable housing through W2. A planning application has been submitted for the provision of 11 new dwellings (comprising 2 x 3 bedroom and 3 x 2 bedroom houses and 6 x 2 bedroom apartments to be provided for affordable rent) with associated car parking and landscaping. The proposals also include enhanced energy efficiency measures that will reduce carbon emissions and have a positive impact on the tenants' energy bills.
- 7.7 A resident consultation was held in September 2011 where the proposals were broadly accepted. The consultation was held at the Sikh Community Centre and of the 71 households invited, 18 attended, which was a reasonable turn out for this type of event at just over 25%.
- 7.8 However, since the submission of the planning application the Council has been approached by some local residents objecting to the change of use from a Community Centre to affordable housing.
- 7.9 Objections to the proposals have been made by the residents on the basis that they want the building to be retained as a Community Centre. Council Officers from Housing and Property Services and the Community Partnerships Team met with residents on 14th December 2011 to discuss their concerns in more detail.
- 7.10 The residents feel that since the survey in 2009 they have not been kept informed of developments and are adamant that a community facility is required.
- 7.11 Residents were informed at this meeting that there are existing community facilities within the neighbourhood and given the fact there will be no council funding available for new facilities it could be feasible for any activities required to be catered for within existing provision. The priority is to ensure existing facilities remain economically viable and sustainable rather than investing in new facilities. It was agreed that the residents would submit a Statement of Intent to the Council for consideration.
- 7.12 The statement of intent was submitted on 30th January 2012. In this statement the residents have requested that the Community Centre be retained and used for the activities listed in the statement of intent. The residents have acknowledged that some of these activities may be undertaken in partnership with existing community facilities within the locality.
- 7.13 They have also requested, 3-6 months to allow them to form a management team, carry out a full structural survey, investigate all possible funding options and prepare a full business plan for use of the Community Centre.
- 7.14 Residents have been made fully aware of the existing facilities on their doorstep in South Leamington which already provide a wide range of the services and activities that they have listed in their Statement of Intent. The Westbury Centre has expressed a willingness to expand its programme of activities to welcome in the wider community, specifically older people and families. The Brunswick Healthy Living Centre again offers many social, educational and physical activities (Appendix 5). Both centres would be able to offer transport to enable the frail and elderly to access their services.

- 7.15 In addition to the existing facilities, a proposal has been put to the residents for a smaller centre for community use to be incorporated within the proposed housing development to enable demand to be demonstrated.
- 7.16 Examples of similar mixed developments can be seen at Warwick District Council's residential dwellings in Charles Gardener Road, Leamington Spa and Packmore Street, Warwick, which have been highly successful.