

 Executive 16th April 2014		Agenda Item No. 5
Title	Henley Rd & Bourton Drive garage sites	
For further information about this report please contact	Ken Bruno	
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Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?		
Date and meeting when issue was last considered and relevant minute number	None.	
Background Papers	W2 Joint Venture Agreement and Constitution	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	This depends whether the valuation is over £50k
Included within the Forward Plan? (If yes include reference number)	Yes. Ref 602
Equality and Sustainability Impact Assessment Undertaken	No
This proposal contributes to delivery of the adopted Housing Strategy for the district, which was subjected to an EIA.	

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	17.03.14	Andrew Jones
Head of Service	17.03.14	Andrew Jones
CMT	17.03.14	Chris Elliott/Bill Hunt
Section 151 Officer	25.03.14	Mike Snow
Monitoring Officer	17.03.14	Andrew Jones
Finance	17.03.14	Mark Smith
Legal	18.03.14	Peter Endall
Portfolio Holder(s)	25.03.14	Cllr Norman Vincett
Consultation & Community Engagement		
A public consultation event was held in April 2013 for local residents and garage tenants. The results are appended to this report but in summary while a small number of issues were raised all but one attendee supported the proposal.		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		

1. **SUMMARY**

- 1.1 Following approval by Executive in 2011 of the W2 Joint Venture between the council and Waterloo Housing Group a detailed review of potential housing sites was undertaken, including council-owned housing-related garage sites.
- 1.2 As a result two sites, Henley Road and Bourton Drive, were identified for further investigation, have been taken forward through public consultation and have now been granted planning consent.
- 1.3 This report seeks approval to terminate the remaining council-owned garage tenancies on the two sites and to dispose of the land to Waterloo Housing Group for the development of new affordable housing through the W2 Joint Venture.

2. **RECOMMENDATION**

- 2.1 That Executive approves the disposal of the two garage sites, shown on the plan attached as appendix two to this report, at Henley Road and at Bourton Drive to Waterloo Housing Group on 99 year leases with payment at full market value in equal instalments from years 3 to 11 in accordance with the W2 Joint Venture agreement.
- 2.2 That subject to agreeing recommendation 2.1 Executive authorises the termination of the remaining garage tenancies on the two sites.
- 2.3 That subject to agreeing recommendations 2.1 and 2.2 Executive gives delegated authority to the Sustaining Tenancies Manager in consultation with the Portfolio Holder and the Section 151 Officer to conclude any miscellaneous lease matters in connection with the garage tenancies.

3. **REASONS FOR THE RECOMMENDATION**

- 3.1 In June 2011 Executive approval was given for Warwick District Council (WDC) to enter into a Joint Venture (known as "W2") with Waterloo Housing Group (WHG) with the objective of increasing the amount of affordable housing in the district.
- 3.2 Under the terms of the constitution the following matters (inter alia) are reserved to WDC:
 - To identify sites on council-owned land and put these forward for consideration;
 - To instruct the District Valuer;
 - To grant 99 year leases to WHG in relation to sites;
 - To agree any pre-conditions that WHG need to meet before the lease is granted.
- 3.3 Following the commencement of the Joint Venture a review of land holdings was undertaken. In particular all of the housing-related garage sites owned by the council were assessed in terms of occupancy rates, current usage, recent repair costs and rights of access. Their suitability for housing development was also considered in terms of site capacity, access and other planning issues.
- 3.4 As a result of this work two garage sites, one at Henley Road and one at Bourton Drive, were identified as potentially suitable and put forward for more detailed investigations.

- 3.5 At both sites the Lettings Team had already stopped letting vacant garages due to a number of break-ins and a view that many garages were being used for personal storage rather than cars. At present there are 39 out of 47 garages vacant at Henley Road and 35 vacant out of 40 at Bourton Drive.
- 3.6 A public consultation event for garage tenants and local residents was held in April 2013 and the feedback is included as appendix one to this report.
- 3.7 Detailed scheme design work was undertaken and planning applications were submitted by WHG in December 2013. The application for Bourton Drive was approved by Planning Committee on 4th February 2014. The application for Henley Road was approved by Planning Committee on 18th March 2014. Together the sites can provide 12 new units of affordable rented accommodation: five at Bourton Drive (3no. two-bed houses and 2no. two-bed bungalows) and seven at Henley Road (5no. two-bed houses and 2no. one-bed maisonettes).
- 3.8 Some of the adjoining premises have access rights over the land and the scheme layouts have been designed to accommodate these.
- 3.9 This report now seeks approval to dispose of the Bourton Drive garage site and the Henley Road garage site. The sites for disposal are shown on the plan attached as appendix two to this report. A valuation has been commissioned by the District Valuer and it is hoped that the values will be available for the Executive by the time of the meeting.
- 3.10 Legal advice is that the disposal of the sites is in accordance with the general consents regime for the disposal of Housing Revenue Account land as set out in the Housing Act 1985 and consequent regulations.
- 3.11 Under the terms of the Joint Venture agreement the disposal of land is on a 99 year lease with payments deferred until the third year and then made in equal instalments from years three to 11.
- 3.12 If Executive is minded to agree to this disposal then to enable the land transfer to go ahead it will be necessary for the council to terminate the remaining garage tenancies. This can be achieved by serving seven days' notice to quit upon the tenants. The second recommendation therefore seeks Executive approval to pursue this course of action.
- 3.13 In order to treat the garage tenants fairly they have been given advance notice that if Executive approves the disposal they will be receiving notice to quit. In practice they have therefore been given a notice period of around one month although the legal notice will be for seven days in accordance with the contractual agreement.
- 3.14 The final recommendation is that delegated authority be granted to the Sustaining Tenancies Manager in consultation with the Portfolio Holder and the Section 151 Officer to deal with any matters arising as a consequence of seeking to terminate the garage tenancies.

4. **POLICY FRAMEWORK**

- 4.1 **Policy Framework** – The report does not amend any of the following policies:
- Development Plan Documents

- Fit for the Future
- Food Law Enforcement Service Plan
- The plan and strategy which comprise the Housing Investment Programme

4.2 The recommendations are consistent with the current Housing Strategy which includes the following action: "Creatively using the council's assets and finance to deliver further new homes working in partnership with Waterloo Housing Group through the W2 Joint Venture."

4.2 **Fit for the Future** –The proposals are entirely consistent with the "Fit For the Future" programme as they will make better use of an existing council asset, providing much needed affordable housing for people in need and in due course generating capital receipts. Furthermore new affordable housing is a key priority for the Sustainable Community Strategy. If the scheme can be completed prior to 31 March 2015 WHG will be able to claim grant funding in the region of £280,000 from the Homes & Communities Agency thus leveraging external investment into the district.

5. BUDGETARY FRAMEWORK

5.1 There will be a loss of income to the Housing Revenue Account as a result of the demolition of the garages. However as indicated above a high proportion of the garages are already vacant and have been for some time, reducing the annual loss of rent to £3,800. The impact of this loss has already been factored into the Housing Revenue Account business plan and 2014/15 budgets.

5.2 Furthermore the proposal will in due course generate a capital receipt thus having a positive impact upon the financial position of the council. As referred to in paragraph 3.11, under the terms of the Joint Venture with Waterloo, the capital receipt will be deferred so as to be received in years 3 to 11. This receipt will need to be used for affordable housing or regeneration purposes, but cannot be so allocated until it has been received in full. Also, the receipt will be abated to reflect the "interest foregone".

6. RISKS

6.1 In appraising the sites the major development risks have already been assessed and either resolved, mitigated or been logged and in any event such risks will transfer to Waterloo Housing Group upon disposal of the site.

6.2 The principal risks to the council and mitigating actions are as follows.

Risk	Mitigation
Local opposition to the schemes	Public consultation
Failure to obtain best value for the sites	Disposals will be at full market value assessed by the Valuation Office
A better alternative use for the site	Affordable housing is a council priority

6.3 The risk in not adopting the proposal is that the garage sites would continue to deteriorate and action would have to be taken by the council, with cost implications, to bring them up to standard and seek to relet them. However it is not clear at this stage how much demand there would be for them if they were made available again as there does not appear to have been any public outcry over the garages standing empty. Furthermore the public consultation did not uncover significant unmet demand for car parking.

7. ALTERNATIVE OPTION(S) CONSIDERED

- 7.1 The following alternative options have been considered.
- 7.2 The “do nothing”/retention as garages option is not considered viable for the reasons set out in 6.3 above.
- 7.3 There is an option to seek to dispose of the sites on the open market to a private developer. However this would still only yield market value for the site but would miss the option to deliver affordable housing and the latter is a priority for the council.
- 7.4 The council could have sought to develop the land itself for council housing. However by the time that the council became self-financing the site was already being investigated through the W2 Joint Venture. Furthermore the landlord service is not yet in a position to start developing new housing.

Appendix One – Consultation feedback

Comments received for Henley Road proposals

Are there any important features on the site that need to be kept?

Very nice large Oak Tree
Oak Tree

Are there any problems with the site at the moment?

ASB
Burnt out car
Burnt out car
Vandalism
Fly tipping

Do you think the proposals for the site are good or bad?

Good
Good – do it!
Bad – don't want it to happen “will fight this”
Fully behind scheme subject to right of access being resolved (46 Prospect Rd)

Do you think the proposals fit in with the surroundings?

Yes
Alternative layout provided by resident to maintain his access

Do you have any other comments?

Would like red brick as the finish for the new houses.
Elderly parents who keep classic cars in two of the garages – what other garages do you have
Parking down Henley Road is already a problem
What about the cars that are being displaced
Can we have a local lettings policy
Impact on the price of my house
Concern re overlooking and privacy
I bought my house because it was not overlooked
Worried about disturbance from building process
Garage site used to be larger and land has been gifted to properties in Prospect Rd

No of residents invited – 28 plus existing garage tenants

No of attendees - 6

Five in favour and one against

Comments received for Bourton Drive proposals

Are there any important features on the site that need to be kept?

None x 2

Are there any problems with the site at the moment?

No real problems x 2

ASB

Fly tipping x 2

People throw rubbish from garages into my back garden

Do you think the proposals for the site are good or bad?

Generally supportive provided adequate security for back garden

Don't want to be overlooked

Good – get on with it

Good – provided no higher than 2 storey houses

Happy to have development provided rear access is maintained (6 Redland)

Do you think the proposals fit in with the surroundings?

Do you have any other comments?

Concerned that the existing drains will not cope with the new development – already been flooded twice drains are only 6" combined storm and foul

Could the grassed 'island' be converted into parking x 3

Don't want grassed 'island' be converted into parking

Concern about increased traffic x 3

Concerned about access for construction traffic

Who will we be putting into the new houses

Very high conifers in my rear garden (10 Redland) will this cause a problem

Parking is already a problem

May be interested in selling part of garden (13 Bourton)

Don't want flats

Currently have rear access – this is not shown on proposed plans

Concerned about security of garden during when garages are demolished.

No of residents invited – 34 plus existing garage tenants

No of attendees - 9

All in favour

Appendix two – site locations

