

25<sup>th</sup> July 2012**REPORT OF THE PORTFOLIO HOLDER QUALITY FOR HOUSING AND PORTFOLIO  
HOLDER CORE SERVICES AND ASSETS****Re-Development of Tranches 2 and 3 Garage Sites****EXEMPT INFORMATION**

None

**PURPOSE**

To provide members with an update on progress concerning the disposal of 26 Council owned garage sites identified in **Appendix A** for the purpose of developing affordable housing. This activity is consistent with previous Cabinet decisions to disinvest in sites that are uneconomical to retain and utilise these for redevelopment purposes where this is a practical option.

Following a previous report to Cabinet in September 2011, significant progress has been made in taking forward the first 10 Tranche 1 sites for re-development (listed within **Appendix B**). All sites have now been vacated and cleared. Parking issues around the proposed developments had been highlighted as a major concern by residents. The production of a Parking Strategy that highlighted key issues and proposed solutions provided a means by which to address those issues. All garage tenants were offered a priority move to an alternative site. In addition, vulnerable tenants were identified and officers visited each of these to seek to resolve any particular issues that had arisen.

Planning applications regarding these sites are likely to be submitted in late summer of this year. Legal work to dispose of these sites to Registered Provider partners is about to commence. A final decision relating to the disposal of these sites will be made jointly by the Portfolio Holder for Housing and the Portfolio Holder for Core Services and Assets as per the authority delegated by Cabinet on 21<sup>st</sup> September 2011.

The purpose of this report is also to seek member approval to proceed with the 16 sites identified in Tranche's 2 and 3 to take forward for the purposes of re-development for affordable housing. It is proposed a similar approach will be adopted as applied to the 10 Tranche 1 sites. A detailed programme of site evaluation, feasibility assessments and consultation will again be required to determine which sites will go forward for re-development and require a final decision in respect to the disposal of land. Where sites are identified that are not appropriate for re-development, alternative uses for those sites will be explored. The site at Colborne Road is currently also being investigated in terms of being utilised to increase the number of allotments that are adjacent to the garages on this site. As with the Tranche 1 sites, the process will incorporate the potential to develop specialist housing provision for older people and vulnerable residents. Initial Tranche 2 and 3 site visits have been undertaken and feedback on these is attached at **Appendix C**.

As highlighted in previous reports to members, the development of affordable housing on these sites will enable the Council to deliver against priorities identified in the Local Delivery Plan as approved by Cabinet in June 2011. Additionally this action will support the delivery of the Council's corporate priorities and those identified in the Local Plan 2006-28 and Healthier Housing Strategy.

## **RECOMMENDATIONS**

- ✓ **That Cabinet notes progress made to date regarding the disposal of garage sites to partner Registered Providers (RPs) to develop affordable housing**
- ✓ **That Cabinet approve the commencement of work in relation to sites identified in Tranches 2 and 3**

## **EXECUTIVE SUMMARY**

Cabinet has previously agreed to the disposal of 26 Council owned garage sites for the purpose of developing affordable housing. The first 10 of these sites have been progressed in partnership with Bromford Housing Group and Waterloo Housing Group. It is anticipated that these sites will progress to the planning application stage in the late summer of this year. It is intended the remaining 16 sites in the programme will then be taken forward following a similar process in the autumn.

Taking forward Council owned garage sites to develop affordable housing will make a cost effective and positive contribution to meeting housing need in Tamworth. Additionally, wider issues concerning improving health outcomes, environmental improvement and economic regeneration will be addressed.

## **RESOURCE IMPLICATIONS**

In September 2011, Cabinet received a report that set out the estimated value of the 26 sites earmarked for development and it was noted that under current pooling rules if any of these sites were sold on the open market the Council would only receive a proportion of the receipt. The report also set out the intention to make the land available at zero cost to Registered Provider partners for the purpose of providing affordable housing and providing that the Council is given full nomination rights, this would be included in the capital allowance and therefore classed as exempt from the pooling requirement. It was further noted that whilst this would represent a notional loss of the Capital value of the land for the Council, this would be offset by the ensuing community benefits and identified value for money considerations.

As with the 10 sites taken forward in Tranche 1, the 16 sites under consideration within Tranche's 2 and 3 have been identified as sites for disinvestment due to under-use, high void levels and maintenance issues. There will be a loss of income; however the majority of the rental loss from these sites has already been built into existing budgets.

As also highlighted in the September 2011 report to Cabinet, taking forward the 16 sites within Tranche's 2 and 3 will increase the supply of affordable housing to meet identified need and will assist in preventing of homelessness and provide local people with a long term housing solution that will also encourage positive health and wellbeing outcomes. The Registered Providers will grant 100% nomination rights in return for the investment of land. Additionally the report drew attention to how the development of additional affordable housing would potentially save the Council having to identify and expend additional resources to prevent homelessness. It was also noted that the use of the garage sites to develop affordable housing is likely to generate considerable inward investment into Tamworth in the form of Homes and Communities Agency (HCA) Grant and direct investment from Registered Provider partners.

Any new housing developed on these sites would attract New Homes Bonus with an additional enhancement of £350 included for each dwelling built as they would be affordable homes.

As was noted in the previous report to members, the financial implications highlighted above are dependent on successful development of the garage sites for affordable housing. As with the Tranche 1 sites, there are a number of key pieces of work which will need to be undertaken with regard to the Tranche 2 and 3 sites that will impact on this including site investigation and consultation.

## **LEGAL/RISK IMPLICATIONS BACKGROUND**

Following the same process as applied to the Tranche 1 sites, as the viability to develop each of the identified sites within Tranches 2 and 3 is taken forward following approval to dispose, partner Registered Providers will meet all legal costs arising from this activity at no cost to the Council.

Again, financial risks associated with Tranche 2 and 3 sites will be accommodated by partner Registered Providers with the Council supporting applications for HCA grant and other sources of funding to support delivery. A key risk to the delivery of affordable housing on these sites will be the availability of funding.

Any risks identified with regard to the concerns of those residents who might be directly affected by any development activity will be identified and incorporated into consultation that will be undertaken regarding Tranche 2 and 3 sites. Lessons learned from the consultation process relating to the Tranche 1 sites will be incorporated into the process to address resident concerns.

As noted in the September 2011 report to Cabinet, risks to the Council should disposal / development not go ahead are increased levels of void garages on these sites with associated problems of ASB, deterioration of the environment, loss of inward investment and partner support to deliver affordable housing and environmental improvement and additional pressure on the existing housing stock.

## **SUSTAINABILITY IMPLICATIONS**

There are inevitable benefits of delivering affordable housing on the identified garage sites, namely:

1. contributing to healthier outcomes
2. economic regeneration of deteriorating open spaces
3. efficiency savings in relation to revenue and maintenance costs associated with managing difficult to let and problem garage sites
4. compliments overall garage strategy that deals with disinvestment, retention and proposals for future change of use (report to follow)

These and other associated outcomes would contribute towards the delivery of key priorities identified by the Tamworth Strategic Partnership and adopted by Tamworth Borough Council.

## **BACKGROUND INFORMATION**

In February 2011 Cabinet approved a commitment to the development of Affordable Housing on underused garage sites and requested that an initial assessment of site suitability be conducted with Registered Provider (RP's) partners. This work was completed and a schedule of 26 sites was prepared and is attached at **Appendix A**. Cabinet subsequently agreed to the disposal of 26 garage sites for the purpose of developing affordable housing in September 2011.

Significant progress has been made in taking forward the first 10 Tranche 1 sites for re-development with the Council's Registered Providers partners for this project (Bromford Housing Group and Waterloo Housing Group) taking forward 5 sites each for development (listed within **Appendix B**).

All sites have now been vacated and cleared. Parking issues around the proposed developments had been highlighted as a major concern by residents. The production of a Parking Strategy that highlighted key issues and proposed solutions provided a means by

which to address those issues. All garage tenants were offered a priority move to an alternative site. In addition, vulnerable tenants were identified and officers visited each of these to seek to resolve any particular issues that had arisen.

Planning applications regarding these sites are likely to be submitted in late summer of this year. Legal work to dispose of these sites to Registered Provider partners is about to commence. A final decision relating to the disposal of these sites will be made jointly by the Portfolio Holder for Housing and the Portfolio Holder for Corporate Services and Assets as per the authority delegated by Cabinet on 21<sup>st</sup> September 2011.

It is intended that once the Tranche 1 sites have been taken forward to the planning application stage, work will commence in earnest regarding the 16 sites identified in Tranche's 2 and 3. The project group has taken the decision to progress Tranches 2 and 3 simultaneously as the potential number of units for development on these sites will be broadly equivalent to those that will be delivered via Tranche 1 (approximately 40 units will be developed in Tranche 1 with a further 44 potential units being developed in Tranche's 2 and 3; 84 in total across all 3 Tranches. Final numbers developed will be dependent on agreed designs and scheme layouts submitted for planning approval regarding Tranche 1 sites. Similarly, numbers in Tranche's 2 and 3 will ultimately be determined once the number of sites to go forward for development is known and on final scheme designs for those sites that are taken forward for development).

It is proposed a similar approach will be adopted as applied to the 10 Tranche 1 sites. The Council will continue to work with Bromford Housing Group and Waterloo Housing Group and their jointly appointed architects to take the 16 site forward. A detailed programme of site evaluation, feasibility assessments and consultation will again be required to determine which sites will go forward for re-development and require a final decision in respect to the disposal of land. Where sites are identified that are not appropriate for re-development, alternative uses for those sites will be explored. The site at Colborne Road is currently also being investigated in terms of being utilised to increase the number of allotments that are adjacent to the garages on this site.

Ward members and other key stakeholders will be involved in the above process. As with the Tranche 1 sites, the process will incorporate the potential to develop specialist housing provision for older people and vulnerable residents. Initial Tranche 2 and 3 site visits have been undertaken and feedback on these is attached at **Appendix C**. Some constraints to development have already been identified (e.g. restricted access to some of the sites may prevent development taking place) but initial evaluation of the sites suggests delivery of affordable housing on many of these sites will be achievable.

Additionally, should development take place on these sites as planned, this will make a valuable contribution to increasing the supply of affordable housing for local people and contribute to the wider priorities and outcomes identified by the Tamworth Strategic Partnership and within the Council's Healthier Housing Strategy.

## **REPORT AUTHOR**

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## **LIST OF BACKGROUND PAPERS**

### **APPENDICES**

- A. Development Sites Schedule
- B. Tranche 1 Garage Sites
- C. Initial Site Surveys Tranches 2 and 3