

PLYMOUTH CITY COUNCIL

Subject: Acceptance of Offer for site of former Ernesettle Community Centre

Committee: Cabinet

Date: 12 March 2013

Cabinet Member: Councillor Lowry

CMT Member: Anthony Payne (Director for Place)

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Ref:

Key Decision: Yes

Part: Part I

Purpose of the report:

This report seeks approval to accept the offer from Aster Housing Group for the site of the former Ernesettle Community Centre for the provision of a 40 unit affordable Extra Care housing scheme for older people with associated community facilities

Corporate Plan 2012 – 2015:

Deliver Growth - the proposal supports an increase in range and quality of housing and care home environments for vulnerable people not able to live in their own homes through illness and disability.

Reduce Inequality - supports increased investment into older peoples' services and improves the quality of their living environment

Provide Value for Communities - Increases the % of people who can influence decisions in their locality - we carry out extensive consultation with the local community when developing new extra care schemes. Social Inclusion services are delivered within extra care schemes by the 3rd sector through competitive procurement.

Raise Aspirations – Increase overall/general satisfaction with local area – This decision will improve the local area by providing attractive housing and landscaping on a site that is currently unsightly. The scheme will also include community facilities.

See <http://www.plymouth.gov.uk/corporateplan.htm>

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land:

The capital receipt offer is less than the best consideration that can be reasonably obtained, however the proposal offers significant social and economic benefits.

The offer is conditional on a capital grant from the Council, in support of the additional costs associated with the delivery of Extra Care facilities. There is provision to support this within the approved Adult Social Care Capital Programme for 2013/14.

Linked to the above Capital Grant, the Council will have 100% nomination rights into the scheme. This ensures that Adult Social Care are able to prioritise the offer of tenancies to people who are likely to require complex care, which in turn will reduce the impact on revenue budgets.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

The provision of Extra Care Housing helps improve the quality of life for many for older people, and supports the Charter for Older People.

Equality and Diversity:

Has an Equality Impact Assessment been undertaken? Yes

Recommendations and Reasons for recommended action:

To meet the city’s agenda of accelerated and increased new and affordable housing delivery and the aims of the Charter for Older People, it is Recommended that that the site is declared surplus as per the Surplus Property Declaration No 227 and the offer of £1 from the Aster Group for the former Ernesettle Community Centre is accepted.

The reason for this recommendation is to secure the provision of good quality, affordable Extra Care housing for older people in the city.

Alternative options considered and rejected:

This offer was the only one received for the site and will deliver a 40 unit affordable Extra Care Scheme with associated community facilities.

Not to sell the site at this time would result in fewer Extra Care homes being built and lack of New Homes Bonus.

Not to accept this offer would prevent delivery of new affordable homes and delay the delivery of the City’s Older Persons Strategy and Adult Social Care plans.

Published work / information:

Background papers:

Title	Part I	Part II	Exemption Paragraph Number						
			1	2	3	4	5	6	7
Equality Impact Assessment 1.2.13 - Decisions to dispose of Council owned land for housing development	X								
Surplus Property Declaration No. 227	X								

Sign off:

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Originating SMT Member: Paul Barnard

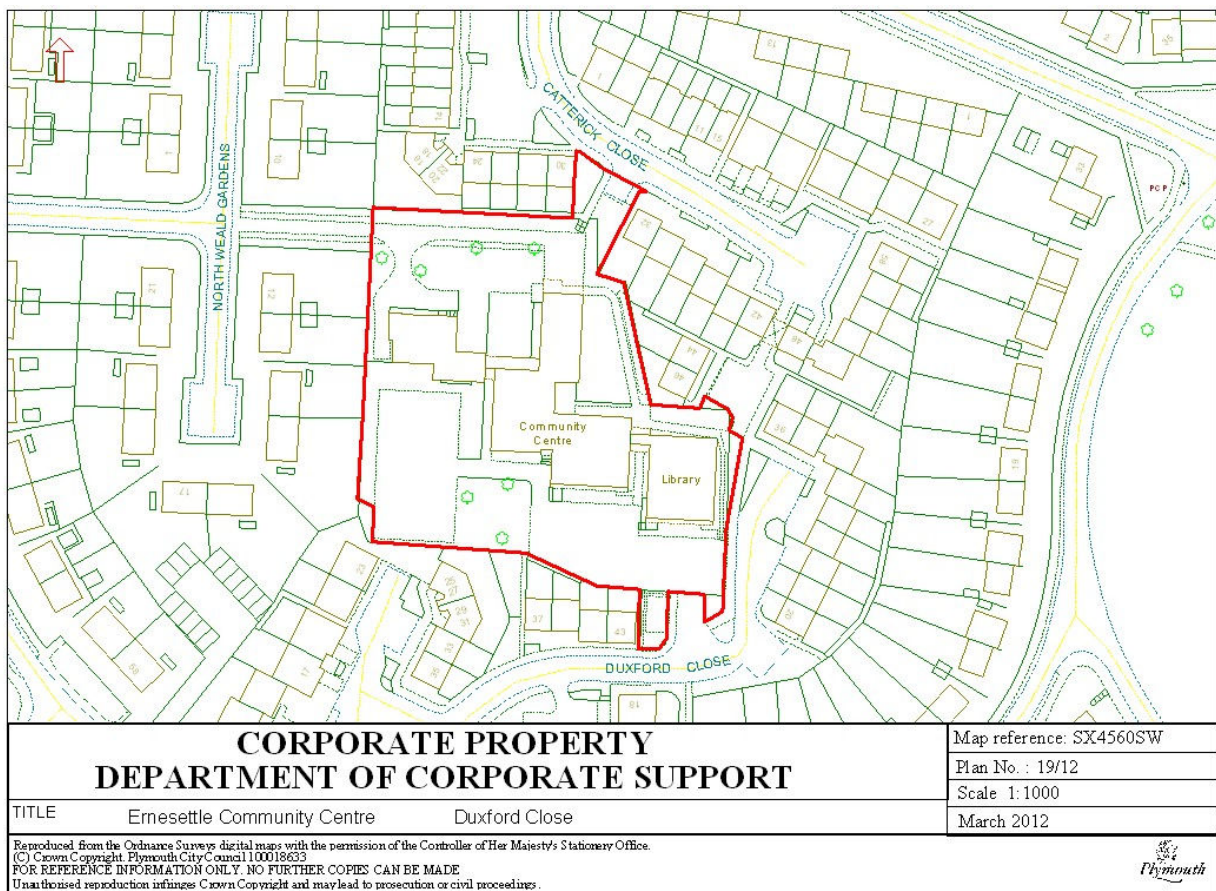
Has the Cabinet Member(s) agreed the content of the report? Yes / No

1. Introduction

1.1. Ten surplus Council owned sites have been marketed by the Land & Property Team working with the Housing Delivery Team to meet the city's agenda of accelerated housing delivery and providing increased levels of affordable housing and better quality homes. Originally the procurement route was used as the Council wished to specify the size, quantity and quality of affordable houses. It was decided this route would not deliver developments in the timescale required and the fact that the route required unconditional offers would restrict the number of parties willing to bid.

1.2. The sites were subsequently marketed on the open market making it clear that Planning and Affordable Housing policies would be fully enforced and non-negotiable. All offers would be subject to planning. One site is the former Ernesettle Community Centre.

2. Former Ernesettle Community Centre



2.1 The site was the location of the former Ernesettle Community Centre and Library. The buildings have been demolished and the site cleared.

2.2 The site was marketed on the Council website and circulated to Agents with offers invited for the freehold. Offers were to include full details of any proposed development. The site was valued by an internal valuation Surveyor at £260,000 for an open market sale for a residential development built to level 3 of the Code for Sustainable Homes and to include 30% affordable homes. No guide price was given.

2.3 The marketing was supported by a Site Planning Statement providing guidance for the development of the site bringing together key planning and design issues. The Site Planning Statement suggested we would consider an Extra Care Housing Scheme on this site.

2.4 One offer was received for this site. Aster Group offered £1. The proposal is to create a 40 unit Extra Care Scheme on the site with associated community facilities. The Extra Care units are 100% affordable and all built to Lifetime Homes standard; a set of 16 design criteria that provide a model for building accessible and adaptable homes. It is intended to make homes adaptable for lifetime use at minimal cost.

2.5 Homes and Communities grant funding of approximately £2,800,000 will be used to help fund the development, which will have a total scheme cost of approximately £4,500,000.

2.6 The offer is conditional on a capital grant from the Council of £500,000. There is an approved budget of £500,000 to support the cost of this extra care development within the Adult Social Care Capital Programme for 2013/14. As a condition of this grant, the Council will receive nomination rights for the occupancy of the Extra Care facilities.

3. Summary of economic and social benefits

3.1 Accepting the offer of £1 would be taking less than the market value of £260,000 for the site for a commercial development. However, a disposal at less than best consideration can be approved under the Local Government Act 1972 General Disposal Consent 2003 as the offer provides social and economic wellbeing. No offers for a commercial development were received.

3.2 There is an approved budget of £500,000 to support the cost of this Extra Care development within the Adult Social Care Capital Programme for 2013/14.

3.3 Cabinet must approve the disposal of property for less than best consideration when more than £500,000 less than best value has been offered. In this instance the difference between Aster's offer and the market value for a commercial development, along with the Adult Social Care Capital support funding is £760,000.

3.4 The offer provides Best Value as the lower capital receipt and Adult Social Care funding is offset by the following social and economic benefits:

- The provision of good quality care for older people in the city is a priority manifesto Pledge, as highlighted in the Charter for Older People.
- The offer delivers 100% affordable housing all built to lifetime homes standard in an Extra Care scheme helping meet our identified need to improve and modernise older people's services. Extra care housing supports older people and people with complex needs to remain living independently in the community as long as possible and is a viable alternative to residential care.
- There is potential for significant Adult Social care revenue cost savings, against a £760,000 one-off investment, which is also leveraging in significant external investment.
- The Council has 100% nomination rights into the schemes this ensures that ASC are able to prioritise the offer of tenancy to people who are likely to require complex care. This helps to reduce the impact on revenue budgets. In addition, we also prioritise people who are living in under occupied family homes and by working together we have been able to release social housing back into the choice based lettings process.