

# Report to Executive

Agenda  
Item:  
  
**A.11**

Meeting Date: 1st July 2013  
Portfolio: Finance, Governance and Resources  
Key Decision: No  
Within Policy and  
Budget Framework YES  
Public / Private Public

Title: **RAFFLES REDEVELOPMENT SCHEME  
DISPOSAL OF LAND FOR AFFORDABLE HOUSING  
THOMLINSON AVENUE CARLISLE**  
Report of: **DIRECTOR OF RESOURCES**  
Report Number: **RD 19A/13**

## Purpose / Summary:

This report outlines a proposal to vary the Lovell Partnership Agreement at Raffles to enable the release and disposal of land to the Riverside Group for the provision of social rented housing at Thomlinson Avenue, Raffles. The commercially sensitive and financial aspects of the proposal are considered in Part B of this Report.

## Recommendations:

The Executive supports the proposal to vary the Lovell Partnership Agreement and approves the release and freehold disposal of the Thomlinson Avenue land to the Riverside Group, subject to the finalisation of terms and conditions agreed by the Property Services Manager.

## Tracking

Executive:	
Overview and Scrutiny:	
Council:	

## **1. BACKGROUND**

### **1.1 Context**

The Raffles Redevelopment Scheme is an ongoing initiative in the west of the City aimed at bringing transformational change and regeneration to a local community where previously failing housing stock, with high voids and turnover, fuelled increasing social problems and deprivation.

Physical regeneration of the Estate commenced in 2004, it is being delivered through a public/private partnership between Carlisle City Council (CCC) and Lovell Partnership Ltd (LPL). The Partnership Agreement master plans proposals to build 435 affordable homes for sale and to date approximately 225 units have been built and sold.

Within the framework of the Partnership Agreement under licence LPL build out and sell the houses, the land is provided by CCC in return for the payment of “overage”. More recently, reflecting the economic climate and downturn in the private housing sector, the Redevelopment Scheme has also seen the provision of affordable rented homes to Registered Providers (RP).

There is a clear and increasing need for suitable, quality affordable social rented housing in the Carlisle District. The Strategic Housing Market Assessment for Carlisle indicates a need for 222 affordable houses per annum, particularly for family sized dwellings. The District-wide delivery of affordable housing has suffered in tandem with the economic downturn.

The Raffles Redevelopment Scheme also forms an integral part of the Council’s Asset Review Business Plan where it is included within the investment portfolio. The Business Plan programmes this asset for disposal, within the Lovell Partnership framework, over the next 4 years in order to generate capital receipts which through reinvestment will be recycled to assist corporate service delivery.

### **1.2 The Site**

The Thomlinson Avenue site, shown identified on the attached Plan, extends to approximately 0.64 hectares (circa 1.6 acres) situated within the Raffles Estate. It is currently a grassed area, the site of former demolished Council housing, and allocated in the Local Plan for residential use.

The Council owns the freehold interest in the land but, it falls within the umbrella of the Council’s Redevelopment Partnership with Lovell, being part of Phase 4 of the scheme (66 dwellings) which is due to get underway with the draw down of a building licence in the near future

## **2. PROPOSALS**

### **2.1 The Proposal**

It is proposed to develop the Thomlinson Avenue site with 21 dwellings. These will be built by Lovell, sold to the Riverside Group, and managed by them as a Registered Provider for the provision of affordable rented accommodation. Subject to planning and final design the development is of traditionally constructed predominately semi detached properties comprising:-

- 15 No 2 Bed 4 Person Bungalows
- 2 No 2 Bed 4 Person Houses
- 4 No 3 Bed 5 Person Houses

The scheme mix has been developed in conjunction with the City Council's Housing Strategy team, to ensure the development meets the housing needs of the locality, and Lovell have already submitted a planning application for the proposed development. The timetable for delivery anticipates the following programme:-

- Submission of a planning application 12<sup>th</sup> June 2013 (Application No 13/0456)
- Planning Decision in September 2013
- Construction starts on site mid October 2013
- Contract build period circa 45 weeks with completion due in August/September 2014

Practical arrangements for the delivery of the scheme will be made through a Variation of the existing Raffles Partnership Agreement with LPL. Simultaneously with this the Council will transfer the site directly to the Riverside Group, Lovell will enter into a building contract to construct the development, which on completion will be sold to Riverside

### **2.2 Asset Management Plan and Statutory Considerations**

The Council when undertaking any property transaction has a duty in accordance with the provisions of Section 123 of the Local Government Act 1972 to dispose of land for the best consideration reasonably obtainable unless, in certain circumstances, it exercises its discretion to sell at an undervalue.

The Council's policy and practice on the release of assets is set out in the Asset Management Plan. The proposed disposal of the Thomlinson Avenue site to the Riverside Group is in accordance with the Asset Management Plan and statutory constraints. A capital receipt will be generated by the land transfer; details of this and the value of the Council's interest in the land are set out in Part B of this Report.

## **2.3 Outputs**

The scheme has the potential to bring a number of balanced outcomes together which align with the Council's vision for the City as set out in the Carlisle Plan 2013/16, namely:-

- Contribute to the delivery of affordable rented housing for Carlisle residents which meets identified needs.
- "Early doors" delivery of new housing at a time when traditional land supply chains have stalled or become a scarce commodity.
- Delivery built upon an existing public/private partnership agreement with Lovell Partnership Ltd and the Riverside Group.
- The opportunity to generate a capital receipt which will help meet the budgetary objectives of the Asset Review Business Plan Disposal Programme.

## **3. CONSULTATION**

### **3.1 Consultation to Date:**

The proposal has been discussed in officer and Member forums including the Strategic Housing Development Group. The Asset Review Business Plan and the associated Disposal Programme has been endorsed by Full Council following an extensive period of consultation with stakeholders and Members in January 2011.

### **3.2 Consultation proposed:**

The submission of the planning application for the scheme proposals will give local residents and other interested parties an opportunity to make representations on the development proposals as part of the planning process

## **4. CONCLUSION AND REASONS FOR RECOMMENDATIONS**

- 4.1** This proposal will deliver an additional 21 units towards the Council's strategic housing targets, whilst also generating a capital receipt in line with the objectives of the Asset Review Business Plan.

## **5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES**

- 5.1** The capital receipt generated from the land disposal will help the Council achieve the vision and actions set out in the Carlisle Plan. Any increased revenue which arises from the recycling of assets will assist with the Council's capacity to continue the delivery of threatened services to its customers.

- 5.2** This proposal directly helps to address Carlisle's housing needs through partnership working which results in the delivery of a mix of affordable properties to rent.

**Contact Officer:** Raymond Simmons

**Ext:** 7421

**Appendices attached to report:** Plan identifying the location and extent of the disposal site

**Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:**

- None

#### **CORPORATE IMPLICATIONS/RISKS:**

**Chief Executive's** - None

**Community Engagement** – Have been involved and consulted in this initiative

**Economic Development** – Have been involved and consulted in this initiative

**Governance** – Under Section 123 of the Local Government Act 1972, the Council may dispose of land held by it in any manner it wishes, save that it shall not dispose of land otherwise than by way of a short tenancy, for a consideration less than the best that can be reasonably obtained. This is subject to any restrictive covenants which bind the land and also subject to the proviso that it may not without the consent of the Secretary of State dispose of any land consisting or forming part of a public open space without first advertising its intention to do so and considering any representations received.

The relevant Government Circular guidance on the matter (General Disposal Consent (England) 2003) sets out that it is Government policy that Local Authorities should dispose of surplus land wherever possible. Again, the disposals should be at the best reasonable consideration.

**Local Environment** – None

**Resources** – The financial implications of the Asset Management Plan and Disposal Programme were included in the 2013/14 budget process and approved the disposal and

the purchase of assets in order to generate additional revenue income. Refer to Part B of this report.

# Housing Mix:

2B4P Bungalow - 15no

2B4P House - 2no

3B5P House - 4no

Total - 21no

Finished floor levels shown indicative only. Constructed levels to be within +/- 30mm of those stated.

Existing trees to be removed

Existing trees to be retained

Revisions	Comments	Date

  

FOR INFORMATION	
DRAWING STATUS:	1:2024-01-10
1:2024-01-10	1:2024-01-10
1:2024-01-10	1:2024-01-10
1:2024-01-10	1:2024-01-10
1:2024-01-10	1:2024-01-10

