

Cabinet Meeting	Agenda Item: 7
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Meeting Date	4 November 2015
Report Title	Disposal of Land at Ceres Court, Murston
Portfolio Holder	Councillor Duncan Dewar-Whalley
SMT Lead	Mark Radford
Head of Service	Anne Adams
Lead Officer	Kent Parker
Key Decision	No
Classification	Open with restricted appendix
Forward Plan	Yes

Recommendations	1. That the Council agrees in principle to transfer the freehold of the open space land at Ceres Court to AmicusHorizon on the terms agreed.
	2. That the Head of Legal be authorised to complete the necessary legal formalities and to advertise the proposed disposal of open space.

1 Purpose of Report and Executive Summary

- 1.1 The purpose of this report is to obtain approval for the freehold transfer of the Council owned open space land at Ceres Court (as shown on the attached plan Appendix I) to AmicusHorizon who have approached the Council seeking to acquire the land with a view to demolishing their existing flats on the adjacent site and redeveloping it for new social housing provision.
- 1.2 The proposed disposal would provide improved social housing of the right type, have benefits in terms of regeneration and improved open space. The existing ball court and outdoor gym equipment is to be retained and relocated within the scheme.

2 Background

- 2.1 The property comprises an area of open space land adjacent to the existing flats which was retained by the Council as amenity land when the housing stock was transferred to Swale Housing Association in 1990. The open space has been subsequently improved in partnership with AmicusHorizon through the provision of a ball court (on the former car parking area owned by AmicusHorizon) and installation of outdoor fitness equipment several years ago;
- 2.2 The AmicusHorizon owned site is currently occupied by three similar four storey blocks of local authority built flats, believed to have been built in the 1950's with

surrounding communal gardens, play and exercise areas and a tarmac laid parking area to the front.

2.3 Whilst considering the redevelopment of their existing flats AmicusHorizon saw an opportunity to include the adjacent Council owned open space within the scheme. This would mean the development could be designed to incorporate more attractive amenity space within the scheme whilst retaining the existing facilities i.e. the ball court and the outdoor fitness equipment. It would also increase the number of affordable housing units that could be provided.

2.4 AmicusHorizon's proposals are:

- To purchase the open space from SBC subject to planning permission being obtained for the proposed re-development of the flats;
- The proposed re-development will replace the existing 78 flats with 14 shared ownership (1 x 1 bed, 7 x 2 bed, 6 x 3 bed) and 26 affordable rented houses (3 x 1 bed, 13 x 2 bed, 10 x 3 bed). The proposed scheme is shown on the attached plan Appendix II;
- The purchase price (see Appendix III) has been agreed following an independent valuation. This reflects the marriage value created by the merging of the two sites which will enable the provision of an additional 8 affordable housing units and is considered to represent the best consideration reasonably obtainable;
- Deliver good quality affordable rented and shared ownership homes for local people to replace the existing sub-standard blocks of flats;
- The scheme provides 61 allocated on-site car parking bays and communal grounds including a Multi-Use games Area and a central landscaped courtyard;
- It is proposed to retain the Council's relocated outdoor fitness equipment within the scheme for the benefit of the local community. The Council will retain responsibility for its ongoing maintenance.

2.5 An independent valuation has been obtained and the agreed sale price, which reflects the marriage value created by the merging of the two sites, is provided in the exempt Appendix III. The valuation is based on the assumption that the Council's open space land has no development potential on its own. By merging the two sites together this would increase the development value of the whole site as more houses could be accommodated.

2.6 As the land consists of open space land there is a statutory requirement to advertise the proposed disposal of open space and consider any objections. AmicusHorizon's proposed timescale is to be able to start on site in January 2016. It is therefore

proposed to advertise the disposal of open space as soon as possible which is likely to be before a decision on the planning application.

- 2.7 The disposal of this asset links to the Council's corporate priorities by providing new good quality social housing which the Council nominate local households to live in. It also supports regeneration objectives and provides improved open space whilst retaining the relocated recreational facilities. Whilst the Council will retain responsibility for maintaining the outdoor fitness equipment there will be a reduction in grounds maintenance liability.

3 Proposal

- 3.1 That the Council agrees in principle to transfer the freehold of the open space land at Ceres Court to AmicusHorizon on the terms agreed.
- 3.2 That the Head of Legal be authorised to complete the necessary legal formalities and to advertise the proposed disposal of open space.

4 Alternative Options

- 4.1 The alternative option that has been considered and discounted is to do nothing *i.e. retain existing open space*: This would be a missed opportunity to achieve improved open space provision within the proposed new development, reduce maintenance liability, achieve a capital receipt and enable an additional 8 no. social housing units to be provided. This is therefore an example of where the Council has a role in helping to facilitate a social housing scheme that will have a positive regeneration impact on the Murston area.

5 Consultation Undertaken or Proposed

- 5.1 Consultations have been carried out with the Head of Housing and the Open Spaces Manager who support the proposal. AmicusHorizon have also had initial discussions with Planning Services regarding their proposals.
- 5.2 Initial consultations were also carried out with the Cabinet Members for Finance, Environmental and Rural Affairs and Housing who were supportive of the proposals in principle. Ward Members have also been consulted/informed of the proposal.

6 Implications

Issue	Implications
Corporate Plan	This proposal supports the Council's corporate priorities of a borough and a community to be proud of through being an example of the

	Council working with its partners to help to facilitate the provision of additional good quality social housing for rent and shared ownership and contribute to the regeneration of the area.
Financial, Resource and Property	The consideration to be paid for the land is set out in the exempt Appendix III and reflects the marriage value released by merging the ownership of the two sites to create a larger development site. The proposal will also reduce the Council's grounds maintenance liability in the future.
Legal and Statutory	The proposed disposal will be for the best consideration reasonably obtainable in accordance with section 123 of the Local Government Act 1972.
Crime and Disorder	The redevelopment of this site will be considered for 'secure by design' implications at the planning stage. Provision of public open space will provide positive diversionary activities.
Sustainability	The additional new homes will be constructed to the highest energy efficiency rating replacing the current inefficient buildings.
Health and Wellbeing	The improvement of the open space and the outdoor recreation and fitness facilities will benefit the health and wellbeing of the local community.
Risk Management and Health and Safety	There is a risk of planning permission not being granted which would mean the proposal could not proceed.
Equality and Diversity	None identified at this stage, but the detailed scheme will need to be assessed for its equality impact by Amicus as the detail is worked up

7 Appendices

7.1 The following documents are to be published with this report and form part of the report

- Appendix I: Site Plan
- Appendix II: Proposed scheme layout
- Appendix III (Restricted): Details of sale price

8 Background Papers

8.1 None.