



EXECUTIVE MEMBER DECISION

REPORT OF:	Executive Member for Growth and Development Executive Member for Finance and Governance
LEAD OFFICERS:	Director of Growth and Development (Please Select)
DATE:	07/10/2019

PORTFOLIO/S AFFECTED:	Growth and Development	Finance and Governance
WARD/S AFFECTED:	Mill Hill and Moorgate	(Please Select...)

SUBJECT: Site disposal – Laneside HOP, Shorrock Lane, Blackburn

1. EXECUTIVE SUMMARY

During March 2018 the Council's Executive granted approval to carry out a Compulsory Purchase Order (CPO) on the Laneside home for older persons on Shorrock Lane, Blackburn which had been derelict for a number of years.

The CPO was made in 2018 and a Public Inquiry was held in February 2019. Following extensive representation by both sides the Planning Inspectorate found in the Council's favour.

The Council took possession of the site through a General Vesting Declaration on the 12th August 2019.

The process of undertaking the CPO required the Council to show that the site would have an end use to provide new homes. Great Places Housing Association one of the Council's preferred Registered Provider (RP) partners) was selected as they have a large affordable housing stock within the local area. Places for People and Together Housing are also preferred Registered Providers for the Borough.

Great Places Housing Association (GPHA) carried out a scoping exercise for the site and prepared a layout showing a deliverable housing scheme on the site. They secured affordable homes grant from Homes England and confirmed that they had finances in place to deliver the scheme. This level of certainty gave confidence to the Council in initiating the CPO.

GPHA are now ready to submit a planning application for the site and carry out intrusive surveys to demolish the existing building in readiness for redevelopment. The proposed scheme meets the Council's aspiration and the Borough's housing need and the site is now being prepared to be sold to GPHA

2. RECOMMENDATIONS

That the Executive Members:

- 2.1 Authorise the sale of the Laneside site as outlined at Appendix A to be sold to Great Places Housing Association for provision of homes for affordable rent.
- 2.2 Authorise officers to finalise the Heads of Terms for the disposal as reported in the Part 2 report.
- 2.3 Authorise the Director of HR, Legal and Governance to complete the necessary legal formalities.

3. BACKGROUND

- 3.1 The Laneside building was formerly a care home for the elderly which was built around 1964. Following de-commission of the care home, the land and building was sold to a private purchaser in September 2000. Between 2000 and 2004 the building was converted into 19 self-contained apartments which were each sold to private purchasers. Following some sporadic occupation of a small number of the individual apartments between October 2004 and February 2007, the building became empty again and has remained empty since.
- 3.2 The building had been the subject of frequent complaints regarding its condition and related anti-social behaviour issues which had a negative impact on the surrounding neighbourhood. The Council's empty property team worked with the owner to bring it back into use but with no success.
- 3.3 The Council secured approval to carry out a Compulsory Purchase Order on the property:
EMD – Compulsory Purchase of a Disused Former Residential Building and Land at Laneside, Shorrock Lane, Blackburn (dated March 2018)

A Public Inquiry was held at the Town Hall in Blackburn in February 2019. The Inquiry found in the Council's favour.
- 3.4 The Council had to detail what the site would be used for in the 'Statement of Reasons' to confirm that there was a deliverable solution for the site if the CPO was successful. To this end the Council had secured the support of one of their preferred partner Registered Providers, Great Places Housing Association. This support was crucial in showing the Planning Inspectorate that the Council had a firm solution for the site, which was fully deliverable by a Registered Provider with extensive knowledge of the local housing market.
- 3.5 GPHA had prepared scheme layouts, provided a financial cost plan and secured grant to develop the site for affordable housing. This evidence was crucial in supporting the Council's case that the site would be sold to a registered provider (following successful CPO) who would develop it to provide affordable homes in a timely manner.
- 3.6 GPHA is a trusted partner who has vast expertise and experience in developing affordable housing. They have successfully developed across the Borough on a number of sites such as at Lincoln Road, North Road and Audley Range and more recently on the Mill Hill Resource Centre site which is close to the Shorrock Lane site. They also have a large stock holding in the Mill Hill area and have been willing to provide the type of housing that will meet local need.

4. KEY ISSUES & RISKS

- 4.1 GPHA has undertaken a number of surveys at the site and have prepared a scheme layout which provides 16 new homes which include 8 two bed and 8 three bed homes for affordable rent
- 4.2 Early cost analysis shows that the site is very challenging and will require a higher level of financial support from GPHA than they first anticipated.
- 4.3 GPHA are now preparing to submit a planning application for the site over the next few weeks and will carry out demolition of the derelict building as soon as they receive planning approval.
- 4.4 GPHA will be funding the development of the 16 new homes from their own resources along with some grant from the Homes England Affordable Homes Programme.

GPHA plan to start on site in March 2020 and anticipate a build programme of around 52 weeks.

5. POLICY IMPLICATIONS

- 5.1 The disposal is in accordance with the Council's disposal policy and Growth programme, it will meet the strategic aims of the Council's Growth agenda and contribute towards meeting local affordable housing need

6. FINANCIAL IMPLICATIONS

- 6.1 The Council is likely to receive a capital receipt from the transaction as outlined in the part 2 report.

The scheme will bring inward investment to the Borough of around £2m along with around £11,000 annual Council tax income on all new homes built.

Additional income from New Homes Bonus payments has already been factored into the MTFS projections

7. LEGAL IMPLICATIONS

- 7.1 The disposal of the site to a registered provider to provide much needed affordable homes is in line with Council's Growth Programme (see report Growth Programme 2019/20: Site Disposal & Development Projects (March 2019))
- 7.2 The Council will need to ensure appropriate best value considerations in disposal of land as part of any contractual agreements.
- 7.3 The Council will look to safeguard its interests in ensuring that the land is developed in line with its future revenue benefit projections by agreeing a build programme with the developer.
- 7.4 Final Heads of Terms for the sale of the land will be as outlined in the part 2 report.

8. RESOURCE IMPLICATIONS

- 8.1 The disposal will be led by the Growth team; Legal resources will be required to complete the legal formalities relating to the freehold disposal.

Additional support will be required from Capita Property to carry out assessments of scheme proposals, deliverability and Heads of Terms

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1 ☒ Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 ☐ In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. *(insert EIA link here)*

Option 3 ☐ In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

10. CONSULTATIONS

Extensive stakeholder consultations have been undertaken during the course of developing the Council's Local Plan (2015) and Strategic Housing Market Assessment (SHMA).

Further consultation has been undertaken during the CPO process which culminated in a Public Inquiry open to all residents.

Additional consultations will be undertaken in line with statutory requirements during the Planning process for the development.

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded and published if applicable.

VERSION:	0.02
CONTACT OFFICER:	Subhan Ali, Strategic Development Manager (Housing)
DATE:	8 th October 2019
BACKGROUND PAPERS:	EMD – Compulsory Purchase of a Disused Former Residential Building and Land at Laneside, Shorrock Lane, Blackburn (dated March 2018) And EBD – 'Growth Programme 2019/20: Site Disposal & Development Projects' (dated March 2019)