



CABINET REPORT

Report Title	Strategic Acquisition of Land and Buildings
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	4 th March 2015
Key Decision:	Yes
Within Policy:	Yes
Policy Document:	No
Directorate:	Regeneration, Enterprise & Planning
Accountable Cabinet Member:	Regeneration Enterprise and Planning - Cllr Tim Hadland
Ward(s)	Eastfields

1. Purpose

- 1.1 The purpose of this report is to seek the authority of Cabinet to the principle of the acquisition of land and property to facilitate redevelopment for housing.

2. Recommendations

- 2.1 That Cabinet approve the principle of the acquisition by this Council of the freehold interest in the property in Northampton to bring forward additional housing.
- 2.2 That Cabinet delegate to the Director of Regeneration Enterprise and Planning the power to approve suitable terms of the acquisition in consultation with the Cabinet Member for Regeneration Enterprise and Planning subject to full due diligence
- 2.3 That Cabinet approves the inclusion in the Council's Housing Revenue Account (HRA) Capital Programme for 2015/16 of funding up to £750,000 to support the acquisition subject to further investigation, due diligence and production of the business case.

3. Issues and Choices

3.1 Report Background

- 3.1.1 The Council wishes to see a property brought forward for development to support the housing need for additional good quality homes in the Borough and improve the standard of accommodation in the locality. In particular, the opportunities for a scheme of sheltered housing. The opportunities for this would be maximised with the demolition of the existing structure to make way for a development to provide better quality sustainable homes potential for older persons .The development would include off road car parking to the rear of the new updated structure that will serve to enhance the appearance and setting in the locality and ease traffic issues for local residents. If these proposals did not progress the site could be developed for alternative accommodation.
- 3.1.2 Terms have been provisionally agreed between an owner of the suitable property and the Council for a purchase of the property with vacant possession. The purchase terms will reflect the additional worth of the property to the Council as a strategic landowner.

3.1 Issues

- 3.1.1 The property is the subject of a recent planning application for conversion to residential use. The proposal is to convert the existing structure. It has been vacant for some time and has lacked maintenance. It is generally in poor condition and has been subject to some internal alteration which may not meet current regulations. Prior to any potential re-development of the property the Council would need to be demolish the existing structure.
- 3.1.2 The position of the Council, as a neighbouring owner and as strategic housing authority, means that the price able to be agreed may above the market value of the property to other potential buyers. This will be to reflect the strategic importance of the purchase to the Council. The property has not been advertised for sale and this would be an 'off market' purchase that would need to be completed swiftly.

3.3 Choices (Options)

- 3.3.1 The Council could choose not to purchase the property. The opportunity for the Council to re-develop the plot to support wider Council objectives would be lost. The property is situated in a prominent position that is highly visible and might continue, for a number of years, to deteriorate and become even more functionally obsolescent. It may, at appeal, succeed in obtaining planning consent for conversion to residential use that would see the existing structure retained which is likely to provide lesser quality accommodation for potential occupiers. In this situation traffic and other issues may also be exacerbated. It is possible that another private sector developer would seek to acquire the

premises instead, but there can be no certainty of this and in particular of the timing of that.

- 3.3.2 The Council could choose to purchase the property for re-development. This would offer a number of different opportunities for the Council to bring forward positive development to support housing initiatives. The Council would though have to pay in excess of what other parties may have been willing to pay for it, were the present owners to offer it to the general market for sale with vacant possession and suitable planning permission.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 There are none specifically.

4.2 Resources and Risk

- 4.2.1 **Capital:** The purchase of the property would be included in the 2015/16 Housing Revenue Account (HRA) capital program. If the property were to be directly re-developed by the Council for the delivery of housing needs, then a specific business case would need to be made for that use. If the property were to be disposed of subsequently by this Council, subject to intervening movements in the general property market in Northampton, it is unlikely that the full sum provisionally agreed for the property would be recoverable from another purchaser.

- 4.2.2 **Revenue:** The property generates no income at present. There would be some limited revenue costs in holding the property post acquisition, pre development. The business case for redevelopment will be drawn up, fully costed and put through the Council's HRA Business Plan working in conjunction with Northampton Partnership Homes (NPH), taking into account the any potential impact on the Councils' Asset Management Strategy.

- 4.2.3 **Risk:** The Council could be exposed to net holding costs associated with the vacant property. There may be a need to address potential vandalism issues before demolition is completed. It may not be possible to obtain a planning permission for alternative residential accommodation suggested in this report, although the property is located in a predominantly residential area.

4.3 Legal

- 4.3.1 The Council would need to exercise due diligence in completing any purchase. The acquisition of property at above its market value is within the general powers of competence of the Council, to support its wider objectives.

4.4 Equality

- 4.4.1 There are none specifically. The property is not presently open to the general public and is unoccupied.

4.5 Consultees (Internal and External)

- 4.5.1 The property would remain as it is now for the short term, Ward Councillors, NPH and other consultees would be consulted when more detailed proposals for the re-development of the property were formulated. Local people would be able to comment on any planning application that might be made.

4.6 How the Proposals deliver Priority Outcomes

- 4.6.1 The assembly of property interests within the Borough is consistent with the Council's strategy. It would help to bring forward and support development opportunities, which can enhance economic activity, support growth and provide much needed additional housing within the Borough.

4.7 Other Implications

- 4.7.1 There are none specifically.

5. Background Papers

None

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