

Appendices: 1



NORTHAMPTON
BOROUGH COUNCIL

CABINET REPORT

Report Title

Transfer of Southbridge land to the Council

AGENDA STATUS:

PUBLIC

Cabinet Meeting Date:	22 January 2020
Key Decision:	No
Within Policy:	Yes
Policy Document:	No
Service Area:	Economy, Assets & Culture
Accountable Cabinet Member:	Cllr Tim Hadland, Regeneration and Enterprise
Ward(s)	Delapre & Briar Hill

1. Purpose

- 1.1 To ask Cabinet to approve the transfer of a parcel of land in Southbridge (known as Area E5 and edged in red on the plan in Appendix A) to the Council in order that it can be developed for affordable housing in accordance with the provisions of a s106 agreement.

2. Recommendations

- 2.1 It is recommended that Cabinet:
- (a) Agrees to the transfer of the parcel of land in Southbridge known as Area E5 (edged in red on the plan in Appendix A, attached to this report) to the Council in accordance with the s106 agreement dated 9 August 2002;
 - (b) Delegates authority to the Economic Growth and Regeneration Manager, in consultation with the Borough Secretary, Chief Finance Officer and Cabinet Member for Regeneration and Enterprise, to complete the transfer to enable the site to be developed for affordable housing.

- (c) Agrees to receive a further report in May 2020 that includes details of the affordable housing that is to be built on Area E5 and how the housing development is to be funded.

3. Issues and Choices

3.1 Report Background

- 3.1.1 In 2002, the Council granted planning permission for a mixed development of houses, flats and café bar restaurant. The development included a new pedestrian footbridge, road improvements and provision of affordable housing.
- 3.1.2 As part of the s106 agreement, it was agreed that part of the site (Area E5, edged in red on the plan in Appendix A of this report) would be developed for affordable housing and that, subject to certain conditions being met, this parcel of land could be transferred to the Council on the condition that it would be used solely for the provision of affordable housing.
- 3.1.2 There were various delays to the transfer but, with the due diligence process now complete, the Council is in a position to develop Area E5 for affordable housing pursuant to the provisions of the s106 agreement.

3.2 Issues

- 3.2.1 Area E5 is to be transferred to the Council at nil cost from the landowner
- 3.2.2 Planning permission was granted for affordable housing on Area E5, but this has now lapsed. A new scheme will need to be prepared by the Council.
- 3.2.3 Area E5 has some vehicle access / egress restrictions and some contamination, but these will be dealt with as part of the new scheme.
- 3.2.4 A report on title in respect of Area E5 has been completed.
- 3.2.5 The Housing and Wellbeing Service has been consulted and has confirmed that there is a severe shortage of affordable housing in the borough and there is an urgent need for Area 5 to be developed for affordable housing.
- 3.2.6 It is proposed that further work is carried out by Northampton Partnership Homes (acting on behalf of the Council) with a view to developing fully costed proposals for an affordable housing scheme on Area E5.

3.3 Choices (Options)

- 3.3.1 Having entered into a legally binding S106 agreement, there may be an opportunity for the Council to re-negotiate the transfer. However, this Option is not recommended because it is likely to result in the Council incurring substantial costs in professional fees and, if successful, Area E5 would then be put on the open market by the applicant. The Council's only control would then be through the Planning Service.
- 3.3.2 The other Option is to complete the transfer and pass Area E5 to the Housing & Wellbeing Service to progress the development of a new affordable housing scheme for the site. This Option is recommended.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 There remains a severe shortage of affordable housing in Northampton. The development of affordable housing on this site will help to address this and supports the Council's policy objectives of tackling homelessness, reducing the use and cost of temporary accommodation and increasing the supply of affordable housing in the borough.

4.2 Resources and Risk

- 4.2.1 The Area E5 site will be transferred at nil consideration.
- 4.2.2 There will be holding costs on Area E5 while a scheme is developed. These include securing the site and public liability.
- 4.2.3 A valuation of Area E5 will be completed as part of the development appraisal of the scheme.

4.3 Legal

- 4.3.1 The provisions of the Agreement dated 9 August 2002 require that, on transfer of Area E5, the site will be developed for affordable housing which is defined within the Agreement as being subsidised rented housing available to people who cannot afford to purchase and/or occupy houses generally available on the open market.
- 4.3.2 Pursuant to the provisions of the Agreement, Area E5 can only be used for the construction of affordable housing and used thereafter for that sole purpose and, pursuant to the provisions of the Agreement, the transfer to the Council will contain a restriction as to the use of Area E5.

4.4 Equality and Health

- 4.4.1 There are no direct equality or health impacts resulting from this transfer.
- 4.4.2 The equality and health implications will be considered during the development of proposals for an affordable housing scheme for the site.

4.5 Consultees (Internal and External)

- 4.5.1 Consultation was undertaken as part of the planning process.
- 4.5.2 Further consultation will take place as proposals are developed for the site and planning permission is sought.

4.6 How the Proposals deliver Priority Outcomes

- 4.6.1 The proposals supports the Corporate Plan, specifically against the strategic priorities of 'More homes, Better homes' by enabling the delivery of new affordable housing and 'Spending your money wisely' through making effective use of the Council's assets.

4.7 Environmental Implications (including climate change issues)

- 4.7.1 The environmental implications will be considered during the development of proposals for an affordable housing scheme for the site.

4.8 Other Implications

None

5. Background Papers

None

6. Appendices

Appendix A – Site Plan of Southbridge Area E5 (edged in red)

7. Next Steps

- 7.1 If Cabinet agrees the transfer, it will be completed as soon as practicable.
- 7.2 The Housing and Wellbeing Service will then work with Northampton Partnership Homes to develop a fully costed proposal for the development of affordable housing on Area E5.
- 7.3 Cabinet will receive a further report in May 2020.

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