

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

3813

Author:

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Department:

Development and Growth

Contact:

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Subject:

Provision of self-build and custom-build plots

Total Value:

See exempt appendix. (Type: Capital)

Decision Being Taken:

To dispose of four surplus Housing Revenue Account (HRA) sites (as shown in the appendix) as house building plots to individuals and/or groups on the Self-build and Custom House Building Register. These sites have been identified as surplus by the Housing Strategy Team, Regeneration Team and Nottingham City Homes (NCH).

To obtain outline planning permission for residential development on these sites in advance of disposal. There will be a cost of approximately £5,000 per site for this and associated costs.

To invite individuals and groups on the Register to submit bids for these sites, giving the bidders a reasonable amount of time to make necessary financial arrangements, and for the disposal to be subject to conditions, such as development within a limited amount of time.

To delegate the authority to the Director of Strategic Assets and Property to agree terms for the sale of the sites or, should the initial approach to those on the Self-build and Custom House Building Register be unsuccessful, to determine the method of sale.

If the sale of the initial four sites is successful, to continue with a programme of selling similar sites on the same basis, with individual decisions to do so made in accordance with the approved delegated authority.

Reasons for the Decision(s)

Under the Housing and Planning Act 2016, which amended the Self Build and Custom Housebuilding Act 2015, the City Council has a statutory duty to support self-build and custom house building by maintaining a register of interested individuals and groups, and by granting planning permission for a number of building plots commensurate with the level of demand demonstrated by the register. There are a number of sites which may be suitable for small scale self-build developments among the sixty surplus garage block sites managed by NCH. Approval for the decommissioning and demolition of these blocks was given by delegated decision 1457. An assessment of these sites by officers from Regeneration and NCH's development team identified five as suitable for inclusion in the current Council house building programme as infill housing developments, providing twenty eight new homes (see Executive Board decision 20/1/15). The proposed self-build sites (shown in appendix 1) have been selected from the remainder, none of which would be viable locations for new Council housing due to the relatively high unit costs associated with building on such small, constrained sites. The proposed disposal of the four sites covered by this decision is a pilot to test an approach which, if successful, could be extended to the rest of the surplus HRA sites, subject to any alternative proposals addressing local issues. The development of smaller sites is becoming increasingly important as a way to achieve the delivery of new housing.

Disposing of the sites with outline planning permission would help the Council to support self-build and custom house building, and would make the sites more attractive to interested individuals and groups. It is anticipated that the cost in design, legal and other associated fees, estimated to be £5,000 per site, may be reimbursed through the income generated by sales, with the potential to generate a surplus for the HRA. This pilot will test this forecast.

Individuals and groups on the Self-build and Custom House Building Register will be invited to make bids for these sites. They will be given sufficient time to make the necessary financial arrangements. If this approach is unsuccessful, the sites will be placed on the open market for sale.

The supply of sites commensurate with demand will be provided initially through surplus HRA garage sites identified by officers from Regeneration, Property, Planning Policy and NCH. Self-build development on these sites would benefit the neighbourhoods around them by making constructive use of empty sites. The risks associated with the change of ownership and the Council's loss of control of the sites would be mitigated by making the sales conditional on development within a limited period.

Briefing notes documents:

Appendix 1.docx

Other Options Considered:

Provision of self-build plots as an element of larger residential developments. This option would not be able to provide plots in the short term or with the same degree of certainty as the preferred option. However, this may be a way to supplement the preferred option, so it will be considered on a development by development basis, whenever the Council is able to influence the mix of housing to be delivered, either directly via the Council house building programme, at arms length via an NCH subsidiary, by a development agreement with a private developer building on former Council-owned land, or via the planning process.

Alternative use of the sites selected as appropriate for self-build plots. This has been rejected as the sites are too small or otherwise too constrained to accommodate financially viable developments by NCC in partnership with NCH, are very unlikely to attract larger commercial developers, for the same reasons, and are not required for any alternative uses.

Background Papers:

None

Published Works:

Delegated decision 1457

Affected Wards:

Bestwood, Bilborough, Clifton East

Colleague / Councillor Interests:

None.

Any Information Exempt from publication:

Yes

Exempt Information:

Description of what is exempt:

An exempt appendix contains the estimated market valuation of the four sites. This appendix is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the financial and business affairs of the authority, and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because it could prejudice contract negotiations.

An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972

3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because, under paragraph 3 of Schedule 12A to the Local Government Act 1972, it contains information relating to the financial and business affairs of the authority, and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because it could prejudice contract negotiations.

Documents exempt from publication:

Exempt appendix.docx

Use of Consultants

Number of Days:20

Rate per Day:0

Total value:3200

Start date:02/03/2020

End date:15/05/2020

Reason for using a consultant:

To undertake the work required to obtain planning permission prior to offering the four surplus sites to individuals and groups on the Self-build and Custom House Building Register. This will give anyone considering buying the sites confidence about their development potential. This will make the sites more attractive, so increasing the capital receipt for the Council. Specialist expertise is required to undertake this work. Although Design Services offers this service, it is financially beneficial to use a consultant.

Other options considered:

To offer the four sites without obtaining outline planning permission. This option has been rejected as planning consent will make the sites more attractive and will increase the capital receipt for the Council.

To use in-house capacity for the planning applications. This option has been rejected as the cost would be higher than using a consultant.

Name of consultant:

Planning and Design Group Limited (P & DG)

Reason for selection?

P & DG has provided a competitive quotation, in terms of value, quality, timing and service level, in the form of a fixed fee for undertaking the activities set out below.

Has the consultant previously completed work for the City Council?

P & DG was commissioned in November 2016 to provide a comparable service for the Council for the development of two hundred and sixty five new homes on Council-owned land at Clifton West. The consultant's work on this scheme has been excellent.

Specific activities to be undertaken by the consultant are:

Scoping and project start up meeting

Desktop site investigations

Energy statements

Outline design drawings

Design and access statement

Preparation and submission of outline planning application

Period of engagement:

Approximately 11 weeks

By what process was the consultant selected?

Invitations to quote for providing the service were offered to P & SG and to NCC's Design Services team.

Consultations:

Date: 28/06/2019

Ward Councillors: Wendy Smith, Georgia Power, Kevin Clarke, Kirsty Jones, Maria Watson, Jay Hayes, Phil Jackson, Rebecca Langton, Audra Wynter

Local Ward Councillors have been consulted. All responses were supportive.

Those not consulted are not directly affected by the decision.

Crime and Disorder Implications:

None

Equality:

EIA not required. Reasons: No changes to policy, services, functions

Relates to staffing:

Yes

Relates to Council Property Assets:

Yes

Decision Type:

Portfolio Holder

Subject to Call In:

Yes

Call In Expiry date:

10/03/2020

Advice Sought:

Legal, Finance, Procurement, Human Resources, Property

Legal Advice:

From the information provided in the report, the proposed transaction does not appear to raise any substantive legal issues of concern. The transactions will be subject to normal property legal due diligence and the drafting, negotiation, agreement and completion of formal contractual documentation between the parties. Advice provided by Mick Suggett (Team leader: Conveyancing) on 26/09/2019.

Finance Advice:

The sites referred to in the report are former garage sites, that are on owned by the Housing Revenue Account (HRA), which is the ring-fenced account for the Council's landlord function. The capital receipt from the sale of the sites, less the costs incurred in gaining outline planning permission, will go to the HRA to fund investment in Council owned housing. The estimated receipt is as described in the exempt appendix. Initially costs can be charged to the Pre-start site fund (see DD2759) and if disposed of the costs can be charged to the capital receipt.

As this proposal is a pilot, there will need to be a review of effectiveness and the approach is sustainable if rolled out further.

Advice provided by Julie Dorrington (Senior Accountant (Housing Revenue Account)) on 28/11/2019.

Procurement Advice:

There are no procurement issues with this decision as it primarily relates to disposal of land, which falls outside of the scope of public procurement. Should any procurement activity arise during the course of the project, the Procurement Team will work with the client to ensure that it is undertaken in compliance with Contract Procedure Rules. Advice provided by Jonathan Whitmarsh (Lead Procurement Officer) on 11/02/2020.

HR Advice:

The proposals have no direct staffing implications.

Shilpa Arya
HR Consultant

Extension 62120 Advice provided by Shilpa Arya (HR Consultant) on 22/11/2019.

Property Advice:

Property officers have worked closely with Housing Regeneration colleagues to develop the proposed approach to the provision of plots suitable for individuals and groups on the Self Build and Custom Housing Building register and as such the approach set out in this decision is supported. Advice provided by Rodney Alan Martin (Development Manager) on 25/10/2019.

Signatures:

David Mellen (Leader/ PH Regeneration, Safety and Communications)

SIGNED and Dated: 26/02/2020

Linda Woodings as Portfolio Holder (PH Housing, Planning and Heritage)

SIGNED and Dated: 03/03/2020

Chris Henning (Corporate Director for Development and Growth)


SIGNED and Dated: 19/02/2020


Belconnen Rd Surplus Garage Site



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Key

 Belconnen Rd Surplus Garage Site Boundary

 City Centre Boundary




Melbury Road Road Surplus HRA Garage Site


Melbury Road Garage Site



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Key

 Melbury Road Garage Site Boundary

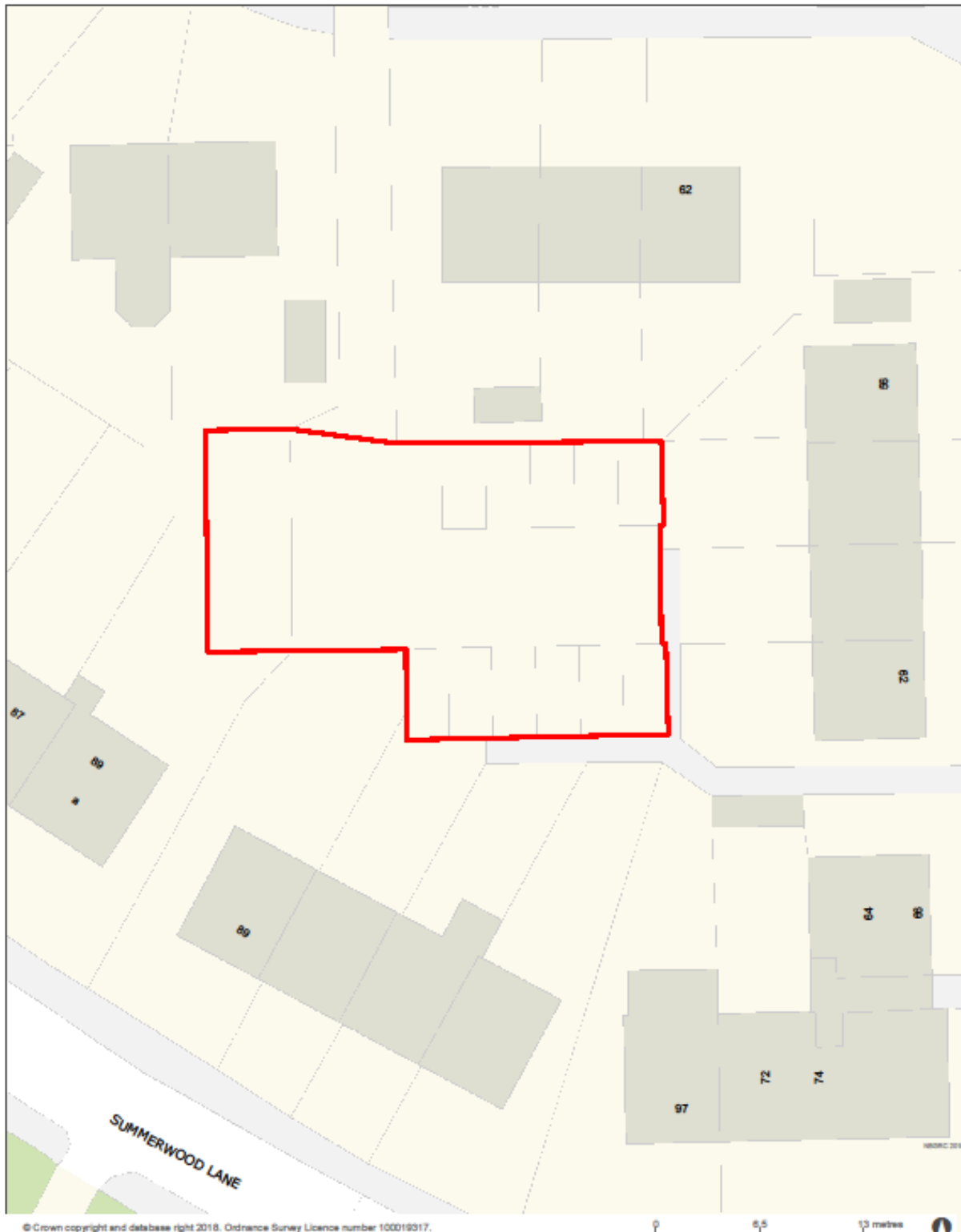
 City Centre Boundary



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
Safell Way Surplus HRA Garage Site


Safell Way Garage Site



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 Safell Way Garage Site Boundary

 City Centre Boundary




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Kildonan Close Cranwell Rd Garage Site



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