
A separate report is submitted in the private part of the agenda in respect of this item, as it contains details of financial information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972. The grounds for privacy are that it refers to the identity, financial and business affairs of an organisation and the amount of expenditure proposed to be incurred by the Council under a particular contract for the supply of goods or services.

Cabinet Member (Business, Enterprise and Employment)

24th June 2013

Name of Cabinet Member:

Cabinet Member (Business, Enterprise and Employment) – Councillor Kelly

Director Approving Submission of the report:

Director City Services & City Development

Ward(s) affected:

St Michaels

Title:

The Freehold Disposal of Land at Adelaide Street to Whitefriars Housing Ltd

Is this a key decision?

No

Executive Summary:

Following a bidding process with the Homes & Communities Agency (HCA), Whitefriars Housing Group (Whitefriars) were successful in obtaining a capital allowance grant from the Homelessness Change Programme for the provision of a new homelessness centre within Coventry.

Whitefriars has approached the Council to acquire the land at Adelaide Street for a Homelessness Centre in conjunction with adjoining industrial land (in private ownership).

The land is already let to Whitefriars as a depot on a five year lease from 11th April 2012.

The site at Castel Street/Adelaide Street was granted planning permission for a 63unit homelessness centre –Planning Reference FUL/2012/2295 on the 7th February 2013.

A petition was submitted requesting that the Cabinet Member for City Development refuses to sell the land at Castel St/Adelaide St/Harnell Lane East to Whitefriars. A joint Cabinet Member meeting between the portfolio holders for City Devevelopment & Neighbourhood Action, Housing, Leisure and Culture to consider a response to the petition was held on the 21st March 2013. Cabinet Members noted the petitioner's request however officers were requested to continue to

work with Whitefriars to negotiate the terms for disposal of the Council's interest in part of the land making up the site.

A value has been agreed with Whitefriars, which has been approved by both the Valuation Office and the Councils valuation panel as representing "Best Value" under the provisions of Section 123 of the Local Government Act 1972.

Recommendations:

The Cabinet Member (Business, Enterprise and Employment) is recommended to (subject to consideration of the private report):

1. Authorise the disposal of the Council site to Whitefriars.
2. Delegate to the Assistant Director of City Centre and City Development Services following consultation with the Cabinet Member, any subsequent variation in terms
3. Delegate to the Director of Finance and Legal Services to complete the necessary legal documentation in this matter.

List of Appendices included:

Adelaide Street Report Plan

Other useful papers:

Planning Application Reference Number FUL/2012/2295- [report to Planning Committee on 7th February 2013](#) (application received approval)

[Joint Cabinet Member Meeting \(City Development\) and \(Neighbourhood Action, Housing, Leisure and Culture\)](#) – Response to Petition: Cabinet Member for City Development to refuse to sell the land on Castle Street/Adelaide Street/Harnall Lane East to Whitefriars Housing Group on the 21st March 2013

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title: The Freehold Disposal of Land at Adelaide Street to Whitefriars Housing Ltd

1. Context (or background)

- 1.1 The Council owned site outlined in red on the attached plan comprises of approximately 0.17 acres (0.068 hectares). It is currently leased to Whitefriars on a five year lease from 11th April 2012 for use as a depot. The development proposals for a new homelessness centre include the adjoining industrial site which is in private ownership and shown edged blue on the plan- an area of approximately 0.47 acres (0.19 hectares).
- 1.2 The proposed new homelessness centre scheme will replace the existing Chace Hostel located in Willenhall currently owned and managed by Whitefriars. This hostel has been operating as a unit for the homeless since the 2nd World War and continues to play a key role in meeting the needs of the homelessness in the city under the Council's Housing and Homelessness Strategy. The Chace Hostel is now outdated and its provision to provide support services is limited and falls below modern standards. The Chace Hostel is also located outside the city centre and a new centre within the city centre will enable users to engage with other services provided within the city centre.
- 1.3 Whitefriars with the support of the Council's Housing Strategy Team under the Housing and Homelessness Strategy were successful in obtaining a capital allocation grant from the Homes & Communities Agency (HCA) Homelessness Change Programme to provide a new homelessness centre.
- 1.4 The proposed new Centre is in accordance with the joint Council/HCA Local Investment Plan objectives for regeneration and housing investment principally Thematic Priority C – Delivering Suitable Housing Provision for Vulnerable Groups and Priority F –Targeting Investment to Reduce Worklessness assisting homeless services users into long term employment.
- 1.5 Planning permission was granted for a 63 unit homelessness centre on the Castle Street/Adelaide Street site – Planning Reference FUL/2012/2298 at Planning Committee on Thursday 7th February 2013.
- 1.6 Following planning permission for the homelessness centre, a petition was submitted requesting that Cabinet Member for City Development refuses to sell the land at Castle Street/Adelaide Street/Harnall Lane East to Whitefriars Housing Group. A joint Cabinet Member meeting of City Development & Neighbourhood Action, Housing Leisure and Culture was held on the 21st March 2013. Cabinet Members noted the petitioners request and it was approved that officers could continue to work with Whitefriars to negotiate terms for the disposal of the Council owned land (forming part of the site for the new centre).
- 1.7 A purchase price has been agreed by Whitefriars Housing Group, which has been verified as representing "Best Value" under Section 123 of the Local Government Act 1972 by the Valuation Office and the Council's valuation panel.

2. Options considered and recommended proposal

- 2.1 **Accept the Offer-** The offer could be accepted for the site. The proposal for a 63 unit homelessness centre satisfies priorities outlined in the HCA Local Investment Plan as specified in paragraph 1.4.

The offer has been approved by the Valuation Office and the Council's valuation panel as representing best value in accordance with the requirements under Section 123 of the Local Government Act 1972 and will contribute towards corporate capital receipts.

2.2 Decline the Offer – The offer could be declined and the lease with Whitefriars will continue at the passing rent until expiry in 2017. If the offer was not accepted then the Council would lose the capital receipt, which has been recommended as representing best consideration and the loss of a new homelessness centre within a city centre location.

2.3 It is recommended that the Council accept the offer and dispose of the site to Whitefriars as per paragraph 2.1.

3. Results of consultation undertaken

3.1 As part of the planning process, Whitefriars have undertaken consultation with the local community regarding the new homelessness centre. The extent of the consultation has been covered in the joint cabinet member for City Development & Neighbourhood Action, Housing, Leisure & Culture report dated 21st March 2013

4. Timetable for implementing this decision

4.1 Providing Cabinet Member approval is given, it is expected that the disposal will be completed within this financial year.

5. Comments from Director of Finance and Legal Services

5.1 Financial implications

The rental stream that will be forgone will have first call on the capital receipt with the equivalent capital value having been estimated. The remainder of the receipt will contribute towards corporate resources and it is expected that the disposal will be completed within this financial year.

5.2 Legal implications

The consideration for the disposal represents the best value reasonably obtainable by the Council upon the disposal of its land, as verified by the Valuation Office and the Councils valuation panel. This meets the Council's requirement to obtain best value reasonably obtainable under the requirements in Section 123 Local Government Act 1972

The Director of Finance and Legal services will complete the freehold transfer of the site to Whitefriars and will collect the sum upon completion.

5.3 It is acknowledged by officers that the freehold of the site was acquired by the Council using its powers under a compulsory purchase order. Officers will consider whether the site is subject to the "Crichel Down Rules" and if it is found that the site is subject to such rules then officers will ensure that the same are complied with prior to the disposal to Whitefriars. If it is considered that the Crichel Down Rules apply then officers will arrange for an appropriate notice to be served on the former owner in compliance with the same.

6. Other implications

Property Implications

The proposed transaction will contribute towards the corporate financial target as mentioned in 5.1 above.

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

The capital receipt will contribute towards corporate resources and housing targets.

6.2 How is risk being managed?

The risks have been identified in paragraph 2.2 with the loss of the capital receipt and the homelessness centre.

6.3 What is the impact on the organisation?

The impact to the organisation will be minimal however it will generate additional work for officers within Finance & Legal Services Directorate in processing the freehold transfer to Whitefriars. The new centre would provide an improved accommodation and more intensive support for vulnerable (mostly single) people becoming homeless therefore assisting the Council to discharge its homelessness obligations more effectively.

6.4 Equalities / EIA

At the meeting held on the 25th March 2013 officers and members discussed the carrying out of a detailed EIA prior to the disposal of the land to Whitefriars. Officers have subsequently considered the EIA requirement.

An equality impact assessment is a process designed to ensure that a policy project or service does not discriminate against any disadvantaged or vulnerable people. Section 149 of the Equality Act 2010 imposes an obligation on Local Authorities to carry out an equality impact assessment when the local authority is exercising a public function.

An equality impact assessment has not been undertaken by officers as the proposal set out in this report relates to the granting of or the creation of a legal interest in land and does not constitute a change in service delivery policy or the exercise of a public function.

6.5 Implications for (or impact on) the environment

The new development is proposed to be designed to be at least BREEAM (Building Research Establishment Environmental Assessment Method) 'very good' standards which will contribute to energy efficient buildings and having a positive impact on the city's carbon footprint.

6.6 Implications for partner organisations?

The report concentrates on the disposal of land to Whitefriars only. The implications on the impact for partner organisations has already been covered as part of the planning application by Whitefriars and the previous report dated 21st March to joint Cabinet Member for City Development & Neighbourhood Action, Housing, Leisure & Culture.

Report author(s):**Name and job title:**

James Grant, Senior Surveyor

Directorate:

City Services & Development Directorate

Tel and email contact:

024 7683 3674

james.grant@coventry.gov.uk

Enquiries should be directed to the above person.

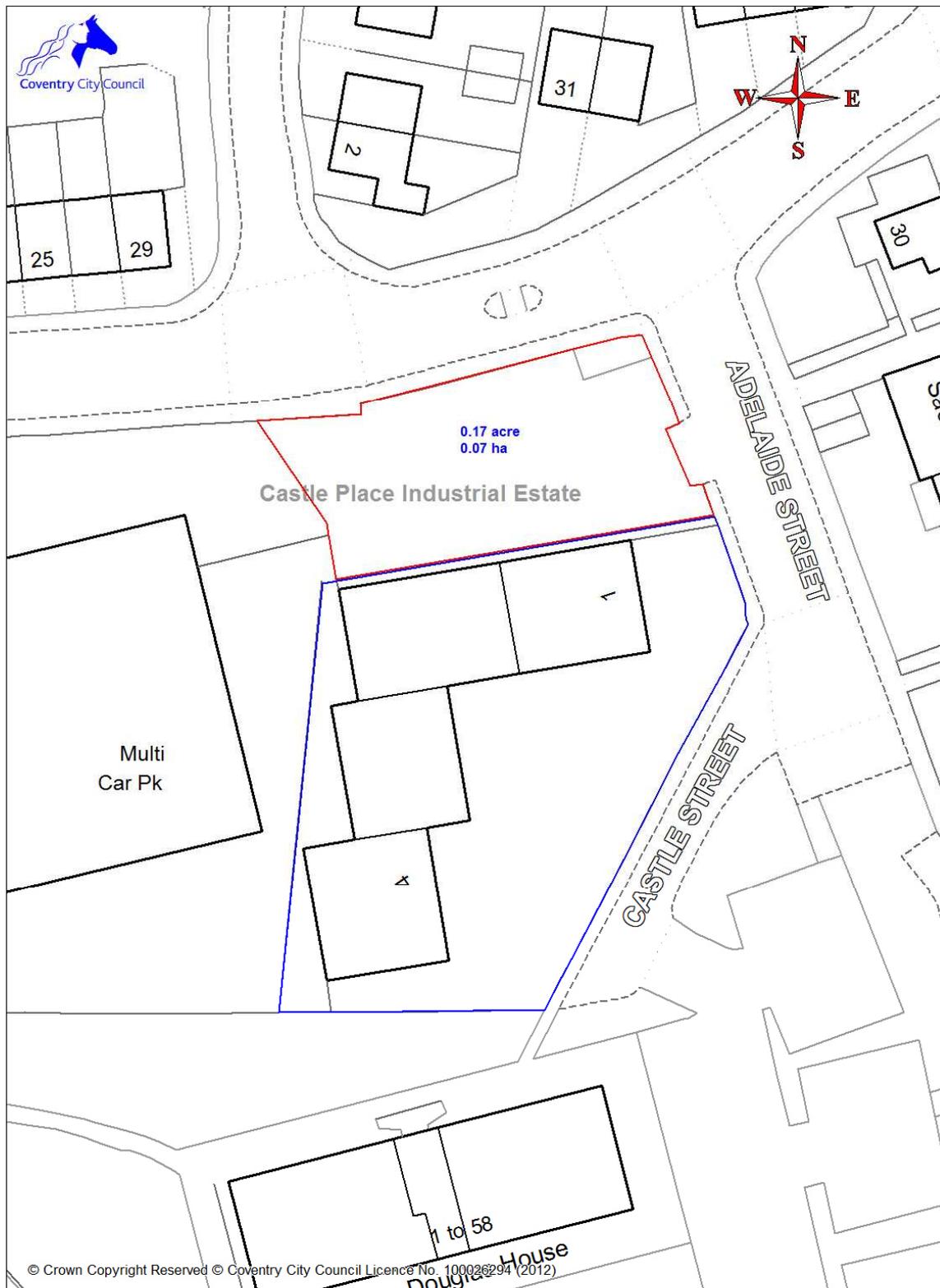
Contributor/approver name	Title	Directorate or organisation	Date doc sent out	Date response received or approved
Contributors:				
Richard Moon	Development Executive	City Services and Development	22/04/2013	22/04/2013
John Stanway	Housing Enabling Officer	Community Services	22/04/2013	08/05/2013
Matthew Rossi	Governance Services Officer	Customer & Workforce Services Directorate	20/05/2013	20/05/2013
Names of approvers for submission: (officers and members)				
Finance: Helen Williamson	Lead Accountant	Finance & legal	22/04/2013	25/05/2013
Legal: Julie Sprayson	Principal Legal Executive	Finance & legal	22/04/2013	23/04/2013
Director: Martin Yardley	Director of City Services & Development	City Services and Development	21/05/2013	21/05/2013
Members: Councillor Kelly	Cabinet Member (Business, Enterprise and Employment)		03/06/2013	03/06/2013

This report is published on the council's website:

www.coventry.gov.uk/moderngov

Adelaide Street, Coventry.

Scale at A4 1 : 500



Plan Production Date: 25/02/2013