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**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)

20<sup>th</sup> October 2014

**Name of Cabinet Member:**

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

**Director Approving Submission of the report:**

Executive Director-Place

**Ward(s) affected:**

Lower Stoke & Westwood

**Title:**

Freehold Disposal of Land at Kele Road, Canley & Whitworth Avenue, Stoke Aldermoor

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**Is this a key decision?**

No, although the matter affects two wards, the impact is not considered to be significant.

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**Executive Summary:**

Within the Cabinet report dated 7<sup>th</sup> January 2014 regarding the Whitefriars Housing Group there was a proposal to release two Council owned small housing sites in Kele Road, Canley & Whitworth Avenue, Stoke Aldermoor to Whitefriars for the construction of 18 new build houses for rent.

Officers have therefore agreed a value with Whitefriars Housing Group for the disposal of the two sites at Kele Road & Whitworth Avenue. This valuation has been approved by the Valuation Office and the Councils Valuation Panel as representing best value which satisfies the Councils requirements set out under Section 123 of the Local Government Act 1972.

**Recommendations:**

The Cabinet Member is recommended to:

1. Authorise the freehold disposal of the two sites at Kele Road, Canley & Whitworth Avenue, Stoke Aldermoor to Whitefriars Housing Group.
2. Delegate authority to the Assistant Director for City Centre and Development Services following consultation with Cabinet Member (Business, Enterprise & Employment) for any subsequent variation in terms.
3. Delegate authority to the Executive Director, Resources and in particular officers within Legal Services to complete the necessary legal documentation in this matter.

**List of Appendices included:**

Appendix 1 –Site Plans, Kele Road & Whitworth Avenue

**Other useful background papers:**

Whitefriars Housing Group-Proposed changes to enable new investment in Coventry homes, a viable Spirit Quarters development to proceed and for the Council to implement service change proposals-Cabinet 7<sup>th</sup> January 2014.

**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:**

**1. Context (or background)**

- 1.1 Within the Cabinet report dated the 7<sup>th</sup> January 2014 regarding the Whitefriars Housing Group reference was made for the release of two Council owned sites located at Kele Road, Canley and Whitworth Avenue, Stoke Aldermoor. The intention by Whitefriars Housing Group for the two sites is to construct 18 new family units for affordable housing as part of a wider programme of new affordable housing provision in Coventry supported by the Homes and Communities Agency under the Affordable Homes Programme 2011-15.
- 1.2 The land at Kele Road, Canley previously accommodated a former Primary Care Trust clinic which has subsequently been demolished and cleared. This site falls within the wider Canley Regeneration area covered by outline planning consent (ref R/2009/0010) granted in September 2009. The reuse of this brownfield site for housing is in accordance with the aims of the regeneration of Canley. The site is approximately 0.38 acres and is edged red on the attached plan.
- 1.3 White friars Housing Group propose to construct 5 dwellings upon the Kele Road site, consisting of 3x3 bed (5 persons) dwellings & 2x4 bed (7 persons) dwellings with the intention of all the units being allocated for affordable rent. Detailed planning permission was granted for this scheme on the 5<sup>th</sup> August 2014 under planning reference FUL/2014/1885
- 1.4 The land situated at Whitworth Avenue, Stoke Aldermoor is approximately 1 acre and is part brownfield, part poor quality green space. The Stoke Aldermoor Masterplan which was granted outline planning permission on the 20<sup>th</sup> November 2006 (R/2006/1831) establishes development on this site. Previously there were proposals for a joint Primary Care Trust Health Centre/YMCA Hostel facility but this could not proceed largely due to funding issues. The site is edged red on the attached plan.
- 1.5 Whitefriars Housing Group propose to construct 13 dwellings on the Whitworth Avenue site, consisting of 8x 2bed (4 persons) dwellings, 4x3bed (5 persons) dwellings & 1x 5bed (9 persons) dwelling, again with the intention of being allocated for affordable rent. A planning application was submitted for the 13 dwellings but after consultation with the local community, revised plans have been prepared to take into account local comments. The revised plans are to be considered by planning shortly.
- 1.6 In addition to these two Council owned sites, Whitefriars Housing Group also propose to develop another site in Whitworth Avenue, already in their ownership, for the provision of 32 family houses in a mix of 2 up to 6 bed houses for affordable rent as part of the Homes and Communities Agency grant allocation for these three sites. Therefore, in order to maximise economies of scale, Whitefriars propose to have all 3 sites developed as one overall scheme to provide a total of 50 family houses.
- 1.7 The original intention was for the two Council owned sites to be transferred to Whitefriars Housing Group at nil consideration as per the Cabinet report dated 7<sup>th</sup> January 2014. However in this case, officers subsequently found insufficient justification under the General Consent Order 2003 for a nil transfer and have sought to obtain best value in accordance with Section 123 of the Local Government Act 1972.

- 1.8 Notwithstanding the previous intention to dispose at nil value, Whitefriars Housing Group have agreed to pay to the Council a value for both Kele Road & Whitworth Avenue sites that has been approved by the Valuation Office and the Councils Valuation Panel as representing best value under section 123 of the Local Government Act 1972.
- 1.9 The mix of housing for affordable rent proposed on the two Council owned sites at Kele Road and Whitworth Avenue will assist in meeting the need for family houses as identified in the Council's Housing & Homelessness Strategy 2013-18

## **2. Options considered and recommended proposal**

- 2.1 **Accept the Offer-** The development of the sites at Kele Road & Whitworth Avenue will be in accordance with the original aims of the Canley and Stoke Aldermoor regeneration projects. All 18 dwellings proposed across the two sites will be for family housing and allocated for affordable housing.

The offer should be accepted as it will contribute towards corporate resources and has been approved by both the Valuation Office and the Councils Valuation Panel as representing Best Value under Section 123 of the Local Government Act 1972.

- 2.2 **Decline the Offer** – The offer could be declined however there would be a loss of 18 units allocated for family housing, all affordable rent. If the development on both Kele Road & Whitworth Avenue was not progressed, it would be contrary to the original aims of the regeneration projects for Canley & Stoke Aldermoor.

The Council would also forgo the capital receipt, which would have been allocated for corporate resources.

- 2.3 It is recommended that the Council accept the offer for the freehold disposal of Kele Road & Whitworth Avenue to Whitefriars Housing Group as per paragraph 2.1. Subject to Cabinet Member approval is it expected that the receipt will be received in this financial year.

## **3. Results of consultation undertaken**

- 3.1 Whitefriars have already undertaken consultations as part of the planning process for the residential planning applications for Kele Road & Whitworth Avenue with Stakeholders. As specified earlier in the report, Kele Road already has planning permission and the revisions to the Whitworth Avenue proposal will be out for consultation in parallel with this Cabinet Member report.

## **4. Timetable for implementing this decision**

- 4.1 Providing Cabinet Member approval is secured, it is expected that the capital receipt will be received within this financial year.

## **5. Comments from Director of Finance and Legal Services**

- 5.1 Financial implications  
The consideration for the freehold disposal for both Kele Road & Whitworth Avenue will contribute towards corporate resources and it is expected to be received within this financial year.

## 5.2 Legal implications

The consideration for the freehold disposal of land to Whitefriars Housing Group represents best value reasonably obtainable by the Council as verified by both the Valuation Office and the Councils Valuation Panel. This meets the Councils requirements to obtain best value under the requirements set out under Section 123 of the Local Government Act 1972

The proposed disposal of the land at Whitworth Avenue and the subsequent highway access will be created over land presently forming open space. Officers within Resources Directorate will prepare and advertise a notice in the local newspaper under Section 123 (1) Local Government Act 1972 advising the Council is seeking to dispose of the land such notice being placed in the local newspaper for two consecutive weeks. Any objections will be reported by officers and considered by the Cabinet Member as appropriate in accordance with the Council's constitution.

The Executive Director, Resources (Legal Services) will complete the legal documentation in connection with the freehold disposal in accordance with appropriate procedures and will collect the agreed consideration upon completion of the disposal.

## 6. Other implications

*Any other specific implications*

### 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 will realise the remediation of a brownfield site at Kele Road. The two developments will provide 18 new family housing units allocated for affordable rent.

### 6.2 How is risk being managed?

The risks have been identified in paragraph 2.2 with the loss of the capital receipt and 18 family housing units allocated for affordable rent.

### 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 the Resources Directorate (Legal Services) in processing the freehold disposal of the land to the Whitefriars Housing Group.

### 6.4 Equalities / EIA

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 related to the granting of or the creation of a legal interest in the 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 impact will be positive as all the dwellings constructed on Kele Road & Whitworth Avenue will be designed to Homes and Communities Design & Quality standards and current building regulations.

#### **6.6 Implications for partner organisations?**

There are no partner implications

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