
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)

20th 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:

Woodlands

Title:

Freehold Disposal: Land at Torrington Avenue

Is this a key decision?

No

Executive Summary:

The former Torrington Centre was demolished in 2008 and is at present a cleared site. The site was previously identified by the People Directorate as being suitable to accommodate a residential development for accommodation for people with learning disabilities and the elderly. Despite working with developers and care operators to make a scheme viable, it was unachievable.

Midland Heart Housing Association and their construction partner Gump & Maier, who specialise in the development of Passivhaus homes (zero carbon eco homes) approached the Council about the possibility of developing a trial site in Coventry purely for Passivhaus homes. Gump & Maier believe that a Passivhaus style of construction can be delivered at a similar cost to conventional building methods and deliver environmental benefits. If the trial is successful, the intention is to open up a manufacturing facility in /around Coventry possibly creating up to 50 jobs.

The former Torrington Centre located on Torrington Avenue has been selected as the preferred site by Midland Heart Housing Association. Subject to Cabinet Member approval, Midland Heart Housing Association intend to submit a planning application for 36 units comprising of 18x1bed apartments, 11x2bed, 5x3bed and 4x2bed dwellings with all the units allocated for social rent.

A value has been agreed with Midland Heart Housing Association for the disposal of the site and this has been approved by the Valuation Office and by the Councils Valuation Panel as representing best value in accordance with the Council's 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 land to Midland Heart Housing Association
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 Plan

Other useful background papers:

None

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: Freehold Disposal: Land at Torrington Avenue

1. Context (or background)

- 1.1 The former Torrington Centre situated on Torrington Avenue, off the A45 is situated in a predominately commercial area however residential development has been completed on the adjoining site. The site is approximately 1.67 acres and is shown edged red on the attached plan.
- 1.2 The Torrington Centre closed in 2008 and the site was amalgamated with the former Torrington Depot. Part of this site has been developed to enable the residential development of the housing estate at Alan Marcel Close, which adjoins the subject site.
- 1.3 Since 2008, there have been various proposals for the site from the People Directorate and Housing Strategy working alongside developers/operators for residential accommodation aimed at the elderly and learning disabilities. However, due to a lack of funding and a continually changing client group, the proposals never progressed.
- 1.4 In October 2013, a meeting was arranged between Midland Heart Housing Association, Gump & Maier and the then Cabinet Member for Business, Enterprise & Employment and the Director of Place. The onus of the meeting was to source a trial residential site for Midland Heart Housing Association working alongside Gump & Maier as construction partner to develop a Passivhaus style of construction for social housing.
- 1.5 The Gump & Maier organisation, based in Germany believes that the Passivhaus style of construction can be delivered at a cost comparable to existing methods and a development will be able to showcase the environmental benefits. If the residential development is successful and well received by developers/social housing providers. Gump & Maier will seek to develop a manufacturing facility in Coventry, creating up to 50 jobs at different entry levels ranging from labourers/apprentices to engineers and architects.
- 1.6 The target for sustainability is the Passivhaus standard. The aim is to have a low energy standard for the building eliminating energy losses from the fabric of the structure following a number of key principles. Ultimately, it will result in lower energy bills for the occupier
- 1.7 The former Torrington Centre was selected as the trial residential site. Midland Heart Housing Association have proposed to develop 18x1apartments, 11x2 bed houses, 5x3bed houses & 2 x4 bed houses, 36 dwellings in total. All the dwellings will be allocated for affordable rent.
- 1.8 The Torrington Avenue site is classified as brownfield because of the past uses and as part of the redevelopment, the land will be decontaminated from any abnormalities.
- 1.9 A value has been agreed with Midland Heart Housing Association for the purchase of the former Torrington Centre site and has been approved by the Councils Valuation Panel as representing best value under the requirements of Section 123 of the Local Government Act 1972.

2. Options considered and recommended proposal

- 2.1 **Accept the Offer-** The development of Torrington Avenue will see a brownfield site being remediated from contamination and redeveloped for 100% affordable housing allocated

purely for affordable rent. The houses will be developed to a Passivhaus standard and if the trial site proves successful and is used as a showcase for the Gumpp & Maier organisation, they may in the future seek to develop a factory for Passivhaus construction in Coventry creating up to 50 jobs.

The offer should be accepted as it will contribute towards corporate resources and has been approved by 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 affordable housing and the potential for an exemplar Passivhaus development. If not pursued, the brownfield site would not be remediated and redeveloped and the City may lose the possibility of Gumpp & Maier establishing a factory in Coventry.

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 the land to Midland Heart Housing Association as per paragraph 2.1. However this is conditional upon the grant of planning approval.

3. Results of consultation undertaken

- 3.1 As part of the planning process Midland Heart Housing Association will have to submit a planning application for the proposed residential scheme. As per the planning process, adjoining occupiers/neighbours will be consulted by the planning department and Midland Heart Housing Association will also undertake consultation with the local community.

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 receipt 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 Midland Heart Housing Association represents the best value reasonably obtainable by the Council as verified by the Council's Valuation Panel. This satisfies the Councils' requirements to obtain best value under Section 123 of the Local Government Act 1972.

The Executive Director, Resources (officers within 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

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 for affordable housing.

6.2 How is risk being managed?

The risks have been identified in paragraph 2.2 with the loss of the capital receipt, affordable housing and the remediation of the brownfield site.

If Gumpp and Maier are unable to fulfil their obligations to Midland Heart Housing Association, as the construction partner for Passivhaus Homes, the Council will still dispose of the site to Midland Heart Housing Association for affordable housing at the agreed value. However it should be noted that the homes constructed may not be to a Passivhaus standard.

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 Midland Heart Housing Association.

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 the Torrington Avenue site will be remediated from contamination. All the dwellings will be constructed to Passivhaus standards eliminating energy loss from the fabric of the buildings, thereby reducing utility bills for the occupiers.

6.6 Implications for partner organisations?

There are no partner implications

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