

**AGENDA ITEM****9.****EXECUTIVE****DATE:** 7<sup>TH</sup> APRIL 2008**SUBJECT:** DISPOSAL OF BLOOMFIELD AVENUE, HIGH TOWN GARAGE SITE TO LUTON COMMUNITY HOUSING ASSOCIATION (LCHA) FOR REDEVELOPMENT OF SOCIAL RENTED HOUSING.**REPORT BY:** HEAD OF CAPITAL AND ASSET MANAGEMENT**CONTACT OFFICER:** DAVID ALEXANDER 54 6156**IMPLICATIONS:**

LEGAL	✓	STAFFING	
EQUALITIES	✓	COMMUNITY SAFETY	✓
FINANCIAL	✓	RISKS	✓
OTHER	✓		

**CONSULTATIONS:**

COUNCILLORS CONSULTED	✓	SCRUTINY COMMITTEE CONSULTED
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STAKEHOLDERS CONSULTED	OTHER	✓
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**WARDS AFFECTED:** HIGH TOWN**LEAD EXECUTIVE MEMBER(S):** COUNCILLOR HARRIS.

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**RECOMMENDATION(S)****1. Executive is recommended to approve:**

- (i) the disposal to Luton Community Housing Association (LCHA) of a 125- year lease in land at Bloomfield Avenue garage site (at nil premium and a peppercorn rent) for redevelopment of social rented housing.

**(ii) Granting to E Ryan & S Rafferty of a new 125-year right of way (See Appendix A, site plan.)**

**REPORT**

2. The garage site at Bloomfield Avenue is derelict and disused. If the site is merged with adjacent land owned by S Rafferty and E Ryan, the combined site would be suitable for development with housing. LCHA has produced a design for the proposed development on the site composite site, which will provide 4 dwellings, of which 3 would be 3-bedroomed houses and 1 would be a 3 bedroom bungalow.  
The houses would be designated for social rent and the bungalow would be retained by Ryan and Rafferty for private occupation. Redevelopment of the garage site would remove from the locality a source of nuisance and potential danger to the public, particularly children.
3. Planning permission, applied for by LCHA, was approved on 7<sup>th</sup> February 2008.
4. On 26<sup>th</sup> February 2008, Social Housing Grant for this project, in sum of £240, 617 was approved by Housing Corporation, to be spent in the 2008/11 programme. A start on site is required before 31<sup>st</sup> March 2009.
5. Nomination rights in favour of Luton Borough Council, through which tenants would be selected from the Council's housing waiting lists, will be agreed.
6. The scheme would require the transfer to LCHA of the site and this would be by sale by lease for 125 years at nil cost. LCHA are making separate arrangements in relation to the acquisition of the land owned by Ryan & Rafferty.
7. Independent valuation advice has confirmed that the site has negative value for social housing development. Though possibly a nominal positive value for a private development, however in the 4 months since their valuation was undertaken, the economic situation and the housing market in particular has deteriorated.
8. referring to Appendix A; the site plan, upon completion of the sale by 125-year lease to LCHA, a new 125-year right of way (shown coloured Brown) to be completed to Ryan and Rafferty to permit access to the Bungalow on the adjacent site . . .

**LEGAL IMPLICATIONS**

9. The Council has power, under the general consent issued under section 25 of the Local Government act 1988, for the disposal of land to registered social Landlords 2005 to sell this land at less than open market rent, provided that the conditions of that consent are met. Consent issued under

section 32 of the Housing Act 1985 permits the Council to grant an easement over the land.

This means that, in addition to the terms already quoted, the following applies;

- \* there must be a requirement that the development be completed within 3 years of the disposal unless there are circumstances beyond their control.
- \* the resulting dwellings must be let on a periodic tenancy or shared ownership lease or a lease for the elderly or used as temporary accommodation.
- \* the Council are not entitled to manage these dwellings.

10. These legal implications have been agreed with Brenda Vale Principal Solicitor in Legal Services on 19<sup>th</sup> March 2008.

### **FINANCIAL IMPLICATIONS**

11. The Council will not receive any consideration for the sale of this site, but as stated above the site has no separate value for development.

Retaining the site may involve ongoing costs in protecting the site.

These financial implications were agreed, by the Chief Accountant on 18<sup>th</sup> March 2008.

### **RISK IMPLICATIONS**

12. The risk to the Council is that by not approving this proposed land transfer, the redevelopment scheme wouldn't proceed, with the benefits described in this report being foregone, along with the use of £240,617 of approved Housing Corp funding; as well as a financial contribution from the RSL.

### **COMMUNITY SAFETY**

13. There are community safety implications in that the garage site is presently derelict and unused.

### **EQUALITIES, COHESION AND INCLUSION IMPLICATIONS**

14. This report has no equality, cohesion and inclusion implications, except in so far as spending money protecting the site if not sold may have implications which will indirectly impact equality, cohesion and inclusion. Agreed with the Equalities Coordinator, Customer and Corporate Services on 27<sup>th</sup> March 2008.

## **COUNCILLORS CONSULTATIONS**

15. Councillors Burnett and Singh (High Town Ward) and Cllr Harris (as Executive Member) have been consulted, being a potential source of danger such as arson and vandalism.

## **OTHER CONSULTATIONS**

16. As part of the Planning Application process, planning permission has been approved. .

## **OPTIONS**

17. (i) Do nothing, not to approve the proposal, would prevent the redevelopment scheme producing 4 new dwellings proceeding, along with the use of £240,617 of approved Housing Corp funding. Leaving a derelict and unused site.
- (ii) To approve the proposal would permit the redevelopment scheme to proceed, with 4 new dwellings provided and enable the approved Housing Corp funding to be utilised.

## **APPENDIX**

18. Appendix A: 1250 scale plan of composite site.

## **BACKGROUND PAPERS**

There are no background papers relating to this report.