

EXECUTIVE

DATE: 7TH APRIL 2008

SUBJECT: DISPOSAL OF KIMBERLEY CLOSE, LEWSEY FARM 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 546156

IMPLICATIONS:

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

CONSULTATIONS:

COUNCILLORS CONSULTED	✓	SCRUTINY COMMITTEE CONSULTED
STAKEHOLDERS CONSULTED		OTHER
		✓

WARDS AFFECTED: LEWSEY FARM

LEAD EXECUTIVE MEMBER(S): COUNCILLOR HARRIS

RECOMMENDATION(S)

- Executive is recommended to Approve the disposal to Luton Community Housing Association (LCHA) of a 125- year lease (at a nil premium and a peppercorn rent) in land at Kimberley Close, to allow this site to be redeveloped for social rented housing (See Appendix A, site plan.)

REPORT

- The garage site at Kimberley Close is derelict and unused, it would be suitable for development for housing. LCHA has produced a design

for a proposed development , which would provide for two 4 bedroom dwellings for social rent. Redevelopment of the site would remove from the local area, a source of nuisance and potential danger, particularly to children.

3. Planning permission has been applied for by LCHA, it was approved on 17th October 2007.
4. Nomination rights in favour of Luton Borough Council, through which tenants would be selected from the Council's housing waiting lists, will be agreed.
5. 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.
6. Independent valuation advice has confirmed that the site has negative value for either private or social housing development.
7. Bids relating to this scheme were submitted to the Housing Corporation, in the amount of £191,256. However, the bid wasn't approved and discussions are ongoing between LBC, LCHA and the Housing Corporation, pursuant to identifying what measures are needed in order to secure the required funding.

LEGAL IMPLICATIONS

8. 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.

9. These legal implications have been agreed with Brenda Vale Principal Solicitor in Legal Services on 19th March 2008.

FINANCIAL IMPLICATIONS

10. 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 18th March 2008.

RISK IMPLICATIONS

11. The risk to the Council is that by not approving this proposed land transfer, the redevelopment scheme wouldn't proceed and the benefits described in the report would be foregone. If, as is hoped, Housing Corp funding is obtained, the use of that money would be lost if the scheme didn't proceed.

COMMUNITY SAFETY

12. There are community safety implications in that the garage site is currently derelict and unused.

EQUALITIES, COHESION AND INCLUSION IMPLICATIONS

13. 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 27th March 2008.

COUNCILLORS CONSULTATIONS

14. Councillors Bailey, Simmons and Shaw (Lewsey Ward) and Cllr Harris as Executive Members) have been consulted.

OTHER CONSULTATIONS

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

OPTIONS

16.
 - (i) Do nothing, not to approve the proposal, would prevent the redevelopment scheme producing 2 new dwellings proceeding, subject to approval of Housing Corporation funds. Leaving a derelict and unused site.
 - (ii) To approve the proposal would permit the scheme to proceed, with 2 new dwellings provided, subject to approval of Housing Corporation funds.

APPENDIX

17. Appendix A :1250 scale plan .