

Report of	Meeting	Date
Chief Executive (Introduced by Executive Member for Resources and the Executive Member for Partnerships, Planning and Policy)	Executive Cabinet	20 October 2011

DISPOSAL OF PARCEL 10 GILLIBRANDS

PURPOSE OF REPORT

1. To seek approval for Parcel 10 comprising 1.91 acres (0.77 ha) to be transferred at nil value to Adactus Housing Group subject to the assessment of further information on the financial viability;
2. The report also seeks approval to retain a small area of land in Chorley Borough Council's ownership which is part of the access to Grundy's Farm as shown cross hatched on the attached plan or any other such relevant strip.

RECOMMENDATION(S)

3. The land is transferred at nil value to Adactus subject to the schemes financial viability and taking into account the value of the nominations to Chorley Council and the requirement by the HCA on funding applications is approved;
4. That the Head of Corporate Governance is given delegated authority to approve the transaction at a land's value upon consideration of further information on financial viability being provided by Adactus Housing Group;
5. To seek approval to the retention of a strip of land that may be required for access from Grundy's Farm;

EXECUTIVE SUMMARY OF REPORT

6. The developers of Gillibrand were required to enter into a S106 Agreement dated the 23 February 1998, following on from an early planning permission dated 3 November 1997, which provided for the development of not less than 15% of affordable housing to be provided at Gillibrands. Parcels 8, 9, 11 and 12 have been sold to RSL's and subsequently developed successfully. Parcel 10 is the only remaining affordable housing parcel not developed.
7. Adactus are in the process of preparing a scheme for submission to Chorley Borough Council Planning Department for Parcel 10 which is due to be considered on the 13 December 2011.
8. Parcel 10 is adjacent to a site in private ownership known as Grundy's Farm which has its only means of access through parcel 10. The right of access is registered within the title of Parcel 10.

9. Adactus will be required to contact the owners of Grundys Farm regarding their proposed development as Grundy's Farm will require continued access. It is not known whether Grundy's Farm propose to apply for a change of use to their land in the future, in which case a piece of land will be retained in Chorley Borough Council's ownership which may serve as a future ransom strip.

REASONS FOR RECOMMENDATION (S)

10. The sale of Parcel 10 will facilitate the development of approximately 25 new affordable homes for rent in perpetuity. It will provide 100% nominations on first and subsequent lets to Chorley Borough Council;
11. There could potentially be a receipt from the sale of the land to Chorley Borough Council depending upon the financial viability of the proposed scheme by Adactus;
12. The provision of affordable housing on Parcel 10 will help meet the Council's housing need in the Borough and help provide a sustainable community similarly to the way Parcels 8 and 9 at Gillibrands have been successfully developed;
13. Retaining a piece of land which will be required as future access to Grundy's Farm will ensure that the Council are able to recoup a proportion of any future ransom strip receipt.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

14. A decision not to enter into negotiations with Adactus will delay the development of Parcel 10 which is the last remaining affordable housing parcel at Gillibrands that is undeveloped;
15. The community would not benefit from the development proposals that will create new housing for those requiring housing at affordable rents;
16. Selling the site for commercial housing would not be viable owing to the S106 restrictions and in accordance with the planning obligations for the site.

CORPORATE PRIORITIES

17. This report relates to the following Strategic Objectives:

Strong Family Support		Education and Jobs	
Being Healthy	√	Pride in Quality Homes and Clean Neighbourhoods	√
Safe Respectful Communities	√	Quality Community Services and Spaces	√
Vibrant Local Economy	√	Thriving Town Centre, Local Attractions and Villages	√
A Council that is a consistently Top Performing Organisation and Delivers Excellent Value for Money			√

BACKGROUND

18. Parcel 10 is the last remaining of the affordable housing parcels on the Gillibrand Estate to be transferred to an RSL and developed for 100% affordable rented units. The estate has been developed in accordance with various planning permissions and S106 obligations, the earliest being outline consent number 9/96/00727 dated 3 November 1997 and Planning Obligation dated 23 February 1998 which provides for affordable housing on the estate.

19. Gillibrand originally comprised 5 affordable housing parcels, namely 8 and 9 which were sold to Adactus on the 20 December 2007 and the 19 March 2008 and 11 and 12 which were both sold to Collingwood Housing on the 25 March 2004. These sites were transferred at nil value owing to the parcels having negative values when the site values based upon social housing rentals were considered.
20. Redrow, the current owner of a section of the access road into Parcel 10 has confirmed that they will be willing to enter into discussions with an approved RSL. The developer is obliged to provide access roads, sewers and services to the affordable housing parcels.

IMPLICATIONS OF REPORT

21. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	√	Customer Services	
Human Resources		Equality and Diversity	
Legal	√	No significant implications in this area	

COMMENTS OF THE DIRECTOR OF PARTNERSHIPS, PLANNING AND POLICY

22. Adactus have provisionally secured £1.5 National Affordable Housing Programme (2011-15) grant to develop affordable housing in Chorley including Parcel 10 Gillibrands. These units would be for affordable rent for households with a local connection to Chorley. Therefore this is a good opportunity for the Council to work in partnership with Adactus to deliver much needed affordable housing in Chorley.

COMMENTS OF THE STATUTORY OFFICER

23. No capital receipt has been assumed from the sale of this parcel in the budgeted financing of the capital programme 2011/12 – 2013/14. It may prove necessary to transfer the land at nil value to Adactus, but this would not have an adverse impact on budgeted resources.

COMMENTS OF THE MONITORING OFFICER

24. There are no legal reasons why this transfer cannot take place but it would be subject to any encumbrances registered against the title.

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
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