

Grayling Street garages, Rosehill – Redevelopment for affordable housing

SUMMARY

- 1.1 The Council has over 8000 people on its housing waiting list. The 2008 Strategic Housing Market Assessment concluded that the city needed to develop an additional 553 affordable homes each year to meet housing needs in the city.
- 1.2 This Grayling Street site is in Council ownership and is held for Housing purposes. It contains 20 garages which are generally in a poor condition and many are unfit for use. The Site has been subject to continuing problems of anti-social behaviour and 13 of the garages are currently vacant. Of the 7 that are still in use, 2 are let on long leases.
- 1.3 In light of the significant pressures facing the Council to provide additional affordable housing, the comparatively low level use made of these garages and the continuing anti-social behaviour that they attract, the decision was taken to explore re-development opportunities for the site.
- 1.4 In addition, pressure is being placed on the Council to build a bespoke bungalow for a particular family on the housing waiting list. The family has 4 severely disabled Children with the result that a heavily adapted and consequently very large bungalow is required to meet their needs. The X family has been on the waiting list for some 7 years because of its very complex needs. The family's needs has recently become more acute, with the result that if their housing needs are not met in the near future, there is a likelihood that the Children will need to be taken into care.
- 1.5 An options appraisal has been carried out on the site to look at the various options to secure a redevelopment proposal that meets general housing need in the area and the specific needs of family X.
- 1.6 A proposal has been developed in partnership with Derwent Living that would deliver a very large bespoke bungalow that meets the needs of family X, together with 5 other general needs affordable rented homes.
- 1.7 A bid to the Homes and Communities Agency, HCA, has been approved that will provide £540K of grant funding to deliver the scheme.

RECOMMENDATION

- 2.1 To approve the demolition of the 20 garages on the Grayling Street site and the development of 6 affordable homes including a large bespoke bungalow in partnership with Derwent Living Housing Association.
- 2.2 To approve the land transfer to Derwent Living Housing Association, on a 99 year lease at nil value, in exchange for 100% nomination rights to all of the properties.

REASONS FOR RECOMMENDATION

- 3.1 The proposed scheme will provide 6 homes which will contribute towards the shortfall of affordable housing within the City and meet the very specific needs of family X. The scheme will require the prior demolition of 20 garages that occupy the site.
- 3.2 A condition of the necessary HCA funding is that the site be provided at nil value, albeit that this will secure 100% nominations from the Council's shared waiting list to all of the properties.

SUPPORTING INFORMATION

- 4.1 The Council has over 8000 people on its housing waiting list. The 2008 Strategic Housing Market Assessment concluded that the city needs to develop an additional 553 affordable homes each year to meet housing need in the city.
- 4.2 The Grayling Street site currently accommodates 20 garages, 13 being vacant. Of the remaining 7 that are still in use, 2 are let on long leases. The garages are unpopular and there is little demand for them in this area. The site has been experiencing frequent problems with anti-social behaviour and as a result the Area and Neighbourhood Team and Derby Police have expressed their support for its re-development.
- 4.3 In light of the significant pressures facing the Council to provide additional affordable housing, the comparatively low level use made of these garages and the continuing anti-social behaviour that they attract, the decision was taken to explore re-development opportunities for the site.
- 4.4 In addition, pressure is being placed on the Council to build a bespoke bungalow for a particular family on the housing waiting list who have expressed a need to live in this locality. The family has 4 severely disabled Children with the result that a heavily adapted and consequently very large bungalow is required to meet their needs. The X family has been on the waiting list for some 7 years because of its very complex needs.
- 4.5 In view of the increasing urgency of this case, the Council approached RSL's from its preferred development partners list to select a partner to develop an appropriate scheme. Derwent Living agreed to work up a proposal as a matter of urgency. Given Derby Homes other commitments in relation to its ALMO new build program, it was agreed that it would not be appropriate to attempt to work up a proposal in the required timescale. Given also the heavy grant demands of a scheme of this nature it would not represent good value for money to deliver the proposed scheme through Council New Build which requires the Council to match fund the HCA grant.

- 4.6 The proposed scheme developed in partnership with Derwent Living includes a very large and heavily adapted bungalow which would meet the needs of family X. The bungalow represents a significant proportion of the development costs of the scheme and will occupy close to 30% of the developable area. The proposal also includes 5 additional affordable rented homes which will be available to households on the Council's shared housing waiting list.
- 4.7 A bid has been submitted for funding to the HCA which has been approved. Subject to Members agreeing to the disposal of this site, the HCA will provide grant funding of £540K to deliver the scheme. In exchange, the Council will be required to provide the site at nil value on a 99 year lease and provide match funding of £45k from Children and Young People and £15k from Corporate and Adult Services. A previous proposal relating to this scheme involving a higher level of grant was refused by the HCA on cost grounds. The HCA has made it clear that the current proposal is on the limit of acceptable affordability and that the contributions from the Council and the PCT are therefore essential.
- 4.8 The PCT has also agreed to provide £45K towards the cost of the bungalow.
- 4.9 The commitments from Children and Young People and the PCT have been forthcoming because family X's needs are now becoming more acute. There is now concern that if the family is not adequately accommodated, it may be necessary to take the Children into Care. The cost of this Care has been estimated to be in the region of £800K per year.
- 4.10 The proposed layout allows for the creation of 2 additional parking spaces to replace the garages held by the two long-term garage leaseholders. This has been agreed together with appropriate compensatory payments through negotiations with these two leaseholders. 7 additional parking spaces will be provided on the site for general use by existing local residents in addition to those specifically allocated for the occupiers of the new homes.
- 4.11 In order to reduce carbon emissions during the construction of the properties, Derwent Living has given a commitment to endeavour to use locally sourced materials and contractors wherever possible.

OTHER OPTIONS CONSIDERED

- 5.1 An Options Appraisal has been carried out on the site to look at the various options to improve it. These included:
- Do nothing and retain as the current garage court. This was discounted as it would not meet the need to for additional affordable housing in the locality, the needs of family X, or reduce the anti-social behaviour that this site currently attracts.
 - Redevelop as new garages. This was discounted due to lack of demand for garages in this area and the lack of available funding to support such a scheme. It would also not meet housing needs in the area.
 - Redevelop as a mixed tenure scheme. This was discounted due to the uncertainty of any property sales due to the current economic climate and the necessity to utilise part of this site to accommodate the needs of family X.
 - Sell on the open market. This option was discounted as current market conditions

would be unlikely to command the highest receipt and the sale would not meet housing need or the specific requirements of family X or general affordable housing needs in the locality.

- Clear the site and use as Public Open Space. This has been discounted as it is likely to continue to cause problems of anti-social behaviour in the area and there is no identified funding system for the proposal. It would also not meet the specific requirements of family X or general affordable housing needs in the area.
- Use as a Community Centre. This has been discounted because adequate facilities are provided nearby. It would also not meet affordable housing need in the area or the specific requirements of family X.

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Background papers:

List of appendices: Appendix 2 - Plan of proposed development

IMPLICATIONS

Financial

- 1.1 A requirement of the £540K HCA grant funding is that the Council provide this site at nil value in exchange for 100% nomination rights. It also requires additional contributions of £45K from both the PCT and CYP and £15K from CAS.
- 1.2 The Council would forgo a potential capital receipt of £150k for the Grayling Street Site. The total Council contribution towards this scheme would therefore be £210K. This is considered to represent good value for money in order to secure the £540 grant funding from the HCA, £45K funding from the PCT and when compared to the estimated Care costs of £800K per year to the public purse if the Children from family X are taken into care.

Legal

- 2.1 Provision for the disposal of the site at nil value is made under section 32 of 1985 housing act and general housing consent 2005.

Personnel

- 3.1 None

Equalities Impact

4. The proposed development of Grayling Street would enable affordable housing to be provided in an area with a high BME population. In addition the Council would be able to provide a bespoke bungalow which is needed for a family with 4 children with very specific disabilities.

Corporate objectives and priorities for change

5. The proposal promotes the Council's objectives of **making us proud of our neighbourhoods, leading Derby towards a better environment and giving you excellent services and value for money.**