

ITEM 7



COUNCIL CABINET
19 DECEMBER 2006

Report of the Scrutiny Management Commission

Swallowdale Road Development Site – Disposal, Sinfen

RECOMMENDATIONS

1. That Council Cabinet consider the interim report of the Community Commission ahead of taking the key decision on the sale of land at Swallowdale Road.

SUPPORTING INFORMATION

- 2.1 On 5 December the Scrutiny Management Commission, SMC, received a verbal report about the proposed key decision on the sale of this site. Issues raised by members included:

- the mixed siting of affordable housing units
- the phasing of the building work.

It was felt that the proposal to have up to 10 affordable units grouped together was too many and it was better to have smaller sites and more of them. Further, that the construction of the PFI and 'market' properties should happen in parallel. Cllr Turner, Chair of Community Commission, referred to a day review conducted by that Commission on 30 November 2006. The review had addressed these and other points. A full report was being prepared and would be finalised in the new year.

- 2.2 In light of the relevance of that review the SMC sanctioned the making of an interim report and that is attached as Appendix 2.

For more information contact:	01322 255596 e-mail rob.davison@derby.gov.uk
Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 – Interim report of the Community Commission

Appendix 1

IMPLICATIONS

The standard implication headings are addressed at the end of Appendix 2, the interim report of the Community Commission, and marked Appendix X.

Interim Report of the Community Commission - Review of Affordable Housing Supplementary Planning Guidance

RECOMMENDATIONS

1. That Council Cabinet consider the following recommendations in relation to the key decision on the sale of land at Swallowdale Road; namely:

[Recommendation 'A'] The Commission strongly endorse the current proposal that Council policy on the pepper-potting of affordable unit housing be that units may be located in pairs or individually and groups should not exceed 5 properties.

[Recommendation 'B'] To ensure affordable housing blends in rather than stands out, the same style, format and materials need to be used; it is better that the developer builds the affordable housing and hands over the units on completion to a Registered Social Landlord, RSL, rather than the latter building their own.

[Recommendation 'C'] a) where an RSL or a Private Finance Initiative, PFI, contractor is to build its construct its own properties in a development site, there needs to be co-ordination and agreement to avoid the work being done at different stages to the 'market properties' and ensure blending in; b) this may be achievable through a Supplementary Planning Document; c) should Heatherton 2 involve any separate RSL or PFI-led construction, then the site should be used to trial developer co-operation.

SUPPORTING INFORMATION

- 2.1 The above recommendations will be part of a wider package designed to improve the Council's supplementary planning guidance on affordable housing and would be of general application across the City. They are the result of a day review conducted by the Community Commission on 30 November 2006. The review was entitled 'What's Happening At Ground Level – Is Supplementary Planning Guidance on Affordable Housing working?'
- 2.2 A full report is being prepared and will be finalised in the new year. This interim report has been produced at the request of the Scrutiny Management Commission because of the immediacy of the key decision on the sale of land at Swallowdale Road.

Reason for Recommendation 'A'.

- 2.3 One of the documents before the Community Commission on 30 November was the Consultation on the Draft Affordable Housing Good Practice Guide. Under the heading Pepper Potting it states: 'Good practice indicates that the groups should be of no more than five properties and may even be located in pairs or individually'. Consultees are later asked for comments on two options. Option one is that 'affordable homes are grouped together in clusters of no more than 5 properties'. Option two is that 'affordable homes are interspersed with the open market properties on site in pairs or individually.
- 2.5 The proposed Private Finance Initiative development at Swallowdale Road includes groups of up to 10 properties. This is not contrary to any existing policy. However, it would be contrary to the proposed policy which the Commission strongly endorse, at recommendation 'A' above. As this is city council owned land it is important to be seen to comply with the standards that in the very near future may be expected of – but probably not welcomed by – developers.

Reasons for Recommendation 'B' and 'C'.

- 2.6 The two recommendations are inter-linked, with recommendation 'B' the Commission's preference and recommendation 'C' as the fall-back. To promote successful, sustainable communities with a mix of socio-economic backgrounds it is essential that affordable housing blends in rather than stands out. It is better that the developer builds the affordable housing and hands over the units on completion to a RSL, as this the same style, format and materials to be used. This preferred option, in recommendation 'B', is not available in the case of Swallowdale Road where affordable housing is being provided through a Private Finance Initiative.
- 2.7 Recommendation 'C' would in future generally apply, seeking to achieve co-ordination and agreement between different developers. SMC members shared the views of the Community Commission that it is important to avoid the building work on the affordable units being done at different stages to the 'market properties'. That is to: ensure blending in, minimise disruption for the first tranches of residents, encourage the development of a mixed community *and* to avoid the last residents feeling unwelcome. This may be achievable through a site specific Supplementary Planning Document. An SPD is being prepared for Heatherton 2 and should that site involve any separate RSL-led construction, it should be used to trial developer co-operation.
- 2.8 Because Swallowdale Road is largely within South Derbyshire, whether to apply recommendation 'C' would be a matter for the District Council, but it could be offered as a suggested good practice.

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Background papers:	None
List of appendices:	Appendix X – Implications

Appendix X

IMPLICATIONS

Financial

1. The review considered the potential tension between maximising capital receipts and the Council's goal of delivering affordable housing. The Chief Estates Officer considers that the receipt is likely to be adversely affected by limiting to 5 instead of 10 the groupings of affordable housing units. The scheme would need to be redesigned by the developer and the impact on value assessed.

Legal

- 2 The Council is required to obtain the best market price for assets it sells. The value of a site is determined by the uses to which it can be put through planning permission. Councils are entitled to develop policies relating to their statutory functions, including land use and housing strategy. These are material considerations when planning applications are being decided. In this particular case the land is outside the city boundary and the current layout acceptable in principle to South Derbyshire Planning officers. If further pepper potting is imposed through the land sale and impacts on value this will be contrary to our requirement to obtain the best value and will need specific DCLG approval. This would not apply if the land was within the City and this was achieved through the planning process.

The preceding paragraph has been agreed by the Chief Legal Officer who also makes these points:

The Commission's report has been written with an apparent presumption that there is a conflict between providing affordable housing on the one hand and maximising capital receipts on the other. However it is likely some or all the proceeds of housing land sales will go in the HRA account and can be used towards the provision of affordable housing in the wider context.

In addition, while not disputing that pepper potting of affordable housing is generally desirable and can have many benefits, it is just one of many considerations that needs to be weighed in the balance both by members of Cabinet, when considering selling our land, and by members of the Planning Committee, when considering planning applications within the City. It is not an overriding consideration and other factors may dictate that our own policy should not be strictly adhered to in a particular case.

Personnel

- 3 None directly arising.

Equalities impact

- 4 Any body can be in need of housing, through relationship break down, business failure or an accident meaning the loss of income to pay a mortgage or the need for an adapted home. However, an enduring need for affordable housing tends to be for lower income individuals and their dependants who cannot buy or rent at the prices applying where demand exceeds supply in a buoyant market. The Council has various policies to provide affordable housing which can provide quality homes for less affluent residents. It is also recognised through the Local Plan, the SPG on Affordable Housing and in the Draft Affordable Housing Good Practice Guide that sustainable communities are more likely to be achieved when mixed sites of market and affordable housing are blended in design to avoid superficial 'pigeon holing' of residents by housing tenure.

Corporate Priorities

- 5 The Community Commission's recommendations will help to 'Improve the quality of life in Derby's neighbourhoods' and environs and to 'Build healthy and independent communities'.