



DERBY CITY COUNCIL

COUNCIL CABINET
16 MARCH 2010

ITEM 2

Report of the Corporate Director of Corporate
and Adult Services

DISPOSAL OF THE SITE OF THE FORMER ARTHUR NEAL AND LOIS ELLIS HOMES

SUMMARY

- 1.1 The Council agreed to the replacement of the Arthur Neal Residential Home on the basis it would be replaced by an Extra Care Housing facility on the same site. The Lois Ellis Residential Home was closed several years ago.
- 1.2 The Council have selected Sanctuary Housing Association as its preferred developer to deliver Extra Care Housing on this site in accordance with its recently approved vision and strategy for older peoples care housing in the city.
- 1.3 Sanctuary Housing Association are a registered social landlord organisation (not for profit) providing elderly and care related communities throughout the UK.
- 1.4 The £11 million development will be funded, developed and managed by Sanctuary Housing. Sanctuary, in partnership with the Council, are submitting a funding application to the Homes and Community Agency (HCA) to support the development of this scheme given its critical strategic importance to the city – this application will be in the region of £4.7 million.
- 1.5 As a condition of securing the HCA funding support for the scheme the Council will be required to contribute its assets and to waive any capital receipt. However, Sanctuary will be committed to providing 100% nomination rights to the affordable rent properties to the Council for the duration of the lease. This will make certain the Council can ensure local people who would benefit the most have access to the scheme.

RECOMMENDATION

- 2.1 To approve the principle of a letting to Sanctuary Housing Association of the sites of the former Arthur Neal and Lois Ellis homes for Extra Care Housing.
- 2.2 To authorise the Corporate Director of Corporate and Adult Services to complete the 125 year lease following consultation with the Cabinet Member for Direct and Internal Services on the detailed terms.

SUPPORTING INFORMATION

- 3.1 Consultations have been held regarding the future intentions for these sites for ECH and full planning permission has been approved by the planning committee, enabling the development to commence in spring 2010, subject to receipt of HCA funding, with anticipated completion by early 2012
- 3.2 Extra Care Housing provides a genuine alternative to having to move into a care home for many older people. Extra Care provides an option for couples to move together rather than be separated if one develops significant disability. It also offers choice to more able older people by offering a safe and stimulating setting built around communal facilities that are also attractive to the surrounding community. Evidence across the country has shown that these schemes are popular with a range of older people, providing spacious "own front door" accommodation with care and support services plus social opportunities within easy reach. The Council will be responsible for commissioning care support services to residents whilst living in the new ECH which will vary on an individual needs basis/dependency assessment.
- 3.3 Sanctuary will be responsible for the demolition of the existing vacant Arthur Neal residential home plus the adjoining bungalows.
- 3.4 The proposed scheme will create 98 self contained flats, of which 37 are one bedroom and 61 two bedroom, together with high standard communal facilities designed to serve both the residents and be accessible to the local community.
- 3.5 A range of tenure within the proposed development is to be promoted by Sanctuary and also required by HCA so units will be offered for affordable rent and shared equity. As market conditions improve a level of outright sale may be introduced and shared equity sales may increase. However, the Council will ensure at least one third of units are offered for affordable rental throughout the lease period. The initial tenure mix of units will include 80% for social rent and 20% for purchase on a shared equity basis with a minimum of 25% equity retained by the Sanctuary. Rents will be set in accordance with the HCAs Target Rent levels.
- 3.6 A `claw back` provision will be contained in the lease, subject to drafting, covering future sales of any units whereby the Council may recover an agreed share of the proceeds from such transactions (first sales only). Purchasers pay for their individual units at market rates without benefiting from the public subsidy invested in the scheme. The public subsidy is geared to support the rented units due to the national policy of setting these below market levels.

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Background papers:	Previous background reporting papers on Arthur Neal and Lois Ellis.
List of appendices:	Appendix 1 – Implications Appendix 2 - Plan

IMPLICATIONS

Financial

- 1.1 The Council will waive capital receipts from this transaction (asset values assessed in the region of £1.1 million) as approved by the General Consent under Section 25 of the Local Government Act 1988 for the Disposal of Land to Registered Social Landlords.

Legal

- 2.1 The Council relocated all residents of Arthur Neal and the bungalows within the City Councils existing housing stock.
- 2.2 A 125 year lease of the site to Sanctuary Housing Association will be granted.
- 2.3 The General Consent under Section 25 of the Local Government Act 1988 provides for the Disposal of Land to Registered Social Landlords at an undervalue.

Personnel

- 3.1 None

Equalities Impact

- 4.1 None.

Corporate objectives and priorities for change

- 5.1 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.