



DERBY CITY COUNCIL

**COUNCIL CABINET**  
**20 March 2007**

**ITEM 14**

Cabinet Member for Personnel, Performance  
Management and Economic Development

**Disposal of Grove House, Arboretum Park – Arboretum Ward**

**SUMMARY**

- 1.1 In December 2003, Cabinet approved the sale of Grove House to a Housing Association for the provision of affordable family housing. Following considerable difficulties with funding, the funding from the Housing Corporation is now approved and terms for the disposal have now been provisionally agreed
- 1.2 Subject to any issues raised at the meeting I support the following recommendation.

**RECOMMENDATION**

2. To approve the sale of Grove House on a 125 year lease to Home Housing Association at a peppercorn rent.

**REASON FOR RECOMMENDATION**

3. To progress the sale and clearance of Grove House and secure the provision of additional housing to meet the needs of the community as identified in the Housing Needs Survey and the Black and Minority Ethnic Housing Strategy 2005-2008.



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Report of the Corporate Director of Corporate and Adult Social Services and Corporate Director of Resources and Housing.

### **Disposal of Grove House, Arboretum Park**

#### **SUPPORTING INFORMATION**

- 1.1 Cabinet have already considered the various options for this surplus bed-sit complex and agreed a sale to a housing association to provide affordable housing in response to the area's housing needs. Unfortunately, the original sale was unable to proceed as the funding was withdrawn. Following further detailed discussions with the Housing Corporation further funding has been secured.
- 1.2 The site is adjacent to the historic Arboretum Park and a high quality design and specification has been required. This factor, in addition to the higher than inflationary increases in building costs resulted in the scheme requiring more grant funding than was originally anticipated. The Housing Corporation have now approved the funding on the basis that the land is transferred at no cost. Members were consulted about this as an option again in 2005 and reconfirmed their commitment to social housing to meet the needs of local people, the Housing Strategy 2003-2006 and BME Housing Strategy 2005-2008. A private development will not meet the identified priority housing needs of the area.
- 1.3 Grove House has been vacant for some time and is attracting anti social activities in this area. As soon as approval is granted and the transfer completed the demolition will proceed as quickly as possible to enable the development to be completed around March 2008. The management of the properties will then be provided by Tun Tum Housing Association.

#### **OTHER OPTIONS CONSIDERED**

- 2.1 Cabinet considered a range of options for this site in December 2003 and approved the sale of Grove House to TunTum Housing Association for the provision of affordable family housing. Due to the delays a sale on the open market has been considered again but would not provide housing to meet the specifically identified need in the area. The approval of funding by the Housing Corporation has been awaited for some considerable time.

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<b>Background papers:</b>	None
<b>List of appendices:</b>	Appendix 1 – Implications Appendix 2 - Plan

<b>IMPLICATIONS</b>
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**Financial**

- 1.1 There will be no capital receipt for this site. The market value is estimated at around £300,000. Under the Capital Strategy in place when this site was declared surplus the proceeds would have been used for affordable housing purposes. Securing this development will meet the priorities set out in the Housing Strategy and BME Housing Strategy. The Council will have full nomination rights for the new houses.

**Legal**

2. The transfer of HRA property at less than best consideration to a registered social landlord is permitted under s25 of the Local Government Act 1988 (Local Authority assistance for privately let housing) 2005.

**Personnel**

3. None.

**Equalities impact**

- 4.1 The proposed development would provide twelve affordable homes which will be in accordance with the identified priority housing needs of the area.
- 4.2 If sold to a private developer, it is unlikely that these needs would be specifically met.

**Corporate objectives and priorities for change**

5. The proposal comes under the Council's Objectives of **Improving the quality of life in Derby's neighbourhoods and building healthy and independent communities.**



