

**Manchester City Council
Report for Resolution**

Report to: The Executive – 19 December 2019

Subject: Proposed Disposal of Land at Former Oakwood Resource Centre, Longley Lane, Northenden

Report of: Strategic Director (Growth and Development)

Purpose of Report

To report to Executive on the proposal to dispose of land, as shown edged red on the plan attached at Appendix 1 of this report (“the Subject Land”), to a Registered Provider, Wythenshawe Community Housing Group, for delivery of new build affordable housing for social rent.

Recommendations

The Executive is recommended to:

1. Approve the disposal of the Subject Land at and under value for development of affordable homes for social rent to Wythenshawe Community Housing Group
 2. Delegate authority to the Head of Development and Deputy Chief Executive and City Treasurer, in consultation with the Executive Member for Housing and Regeneration, to finalise the terms for the disposal of the Subject Land by agreement.
 3. Authorise the City Solicitor to enter into and complete all documents and agreements necessary to give effect to the recommendations and complete the disposal.
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Wards Affected: Northenden

Community Strategy Spine	Summary of the contribution to the strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	The council has continued to work with partners to drive forward development schemes such as affordable housing that provide safe accommodation, stimulate economic growth and job creation.
Individual and collective self esteem – mutual respect	The well designed homes and area to be provided will improve the quality of life for local people.

A highly skilled city: world class and home grown talent sustaining the city's economic success.	The city aims to provide safe accommodation which encourages people to visit and live in the city, keeping those with the skills the city needs, keeping our home grown professionals
A progressive and equitable city: making a contribution by unlocking the potential of our communities.	Everyone will have the same opportunities and life chances no matter where they're born, including the opportunity to live in safe and affordable accommodation.
A liveable and zero carbon city: a destination of choice to live visit and work	<p>The provision of these homes will increase housing choice within the city and contribute to the availability of neighbourhoods of choice.</p> <p>The right mix of quality accommodation is needed to support growth and ensure that our growing population can live and work within the city and enjoy a good quality of life. We will work with the purchaser to design a scheme with a focus on the zero carbon agenda.</p>
A connected city: world class infrastructure and connectivity to drive growth	This approach recognises the importance a balanced housing offer plays within a well-connected city and the neighbourhoods within it. It seeks to create neighbourhoods where residents will choose to live and their housing needs and aspirations are met at an affordable level.

Full details are in the body of the report, along with any implications for:

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

Disposal will remove all maintenance and holding cost liability, which for this site has included fly tipping and security costs.

Financial Consequences – Capital

The details regarding the capital receipt for the Subject Land is detailed in Part B of this report.

Contact Officers

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Background documents (available for public inspection):

The following document disclose important facts and these have been relied upon in preparing this report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above

Report to Executive 11 September 2019 – Delivering Manchester’s Affordable Homes to 2025

Report to Executive 12 December 2018 – Delivering Manchester’s Affordable Housing Strategy – Proposed new affordable housing policies for the Council

Appendices:

Appendix 1. Oakwood disposal I.D. plan

1.0 Background

- 1.1 The Council Executive agreed on the 11 September 2019 proposals to delegate authority to the Deputy Chief Executive, Strategic Director – Growth and Development and Head of Development in consultation with the Executive Member for Housing and Regeneration, to agree the disposal of sites in Council ownership for the provision of affordable homes.
- 1.2 The Executive noted from the report the increased affordable homes delivery target from 5,000 to a minimum of 6,400 from April 2015 to March 2025, representing 20% (policy compliant) of the increased Residential Growth target of 32,000 new homes over the same period.
- 1.3 The above report set out that delivery of significant numbers of new affordable homes in the city is dependent on robust partnership relationships with Registered Providers, who currently have the financial and delivery capacity to deliver those homes.
- 1.4 This report sets out the proposal for disposal of the Subject Land at less than best consideration, in order to secure the best affordable housing outcome. The proposed premium represents Value for Money and the financial detail is set out in Part B of this report.
- 1.5 The proposed Wythenshawe Community Housing Group (“WCHG”) scheme would deliver 20 homes for social rent, 100% of the scheme, meeting the demand profile in the area and in line with the Councils residential design guide.
- 1.6 The proposed disposal is one of three currently being negotiated with WCHG. Other sites are located at the former Glendene children’s home in Newall Green and land at Amberley Drive also in Newall Green. Offers made for those sites are considered to represent Market Value. WCHG, in consultation with Housing & Residential Growth, have considered all three sites together when proposing the tenure mix across the three sites, so overall there is a mix of affordable homes for social rent, affordable rent and shared ownership.

2. The Subject Land

- 2.1 The site is located on Longley Lane, in the Northernden ward, approximately 2.5km (1.7 miles) to the west of Wythenshawe town centre and measures approximately 1.5 acres. It comprises a single-storey former adult services building (Oakwood Community Resource Centre), together with associated car parking provision and formal garden areas. The Community Centre is no longer operational and has been declared surplus to requirements. The Council owns the freehold of the site and it has been deemed suitable for residential development.

- 2.2 In order to contribute towards the Council's affordable homes delivery target it was decided the site should be disposed of to a Registered Provider to deliver a 100% affordable scheme.
- 2.3 WCHG expressed a keen interest in acquiring the site. Officers from both the Development Team and Housing & Residential Growth have held direct discussions to dispose of the site to WCHG to deliver an acceptable scheme.
- 2.4 In the period since WCHG made an offer for the Subject Land the Council has become aware that a small adjoining site (shown edged blue on APPENDIX 1) owned by MCC and currently occupied, may become vacant in the short-medium term. If that is the case, WCHG would also be interested in acquiring this additional site with a view to delivering additional affordable homes. Therefore there is a possibility of a further disposal at less than best consideration.

3. Proposed Scheme

- 3.1 WCHG has submitted indicative plans for 20 homes on the site and have consulted with officers from Housing & Residential Growth as to the proposed tenure, provisionally agreeing the scheme will provide 20 homes, each for social rent. The homes will be made up of the following house types:
- 14 x 2 bed semi-detached house @ 83sqm
 - 6 x 3 bed semi-detached house @ 96sqm
- 3.2 The scheme is yet to be submitted for planning approval, though is considered acceptable and in accordance with relevant planning policy. Any proposed disposal of the Subject Land will be subject to WCHG's ability to obtain planning permission.
- 3.3 As referred to in 2.4 above, the number of homes may increase if a disposal of the additional site is negotiated.

4. Valuation

- 4.1 Based on the proposed scheme as above, WCHG has made a financial offer in the form of a premium payment to the Council to acquire the site. The details regarding the offer is in Part B of this report.
- 4.2 An external valuation was carried out based on the assumption of an implementable, planning policy compliant scheme based on 17 shared ownership homes. The valuation figure is stated in Part B of this report. WCHG later increased the density to 20 homes following consultation with Housing and Residential Growth where WCHG was asked to increase the number of homes for social rent.

5. Conclusion / Recommendation

- 5.1 The Executive is requested, having regard to Part B of this report, to approve the recommendations outlined at the start of this report. The scheme will

provide 20 new affordable homes for social rent for Manchester residents and the Council will receive a premium, subject to completion of satisfactory site investigations and achieving of planning permission.

6. Implications for Council Policies

Contributing to the Community Strategy

(a) A thriving and sustainable city

The delivery of providing safe and improved accommodation will encourage, young people and graduates, to be attracted to apprenticeships and work placements

(b) A highly skilled city

Working families are a key target market of the new homes to be provided and this initiative will therefore help to attract and retain economically active individuals.

(c) A progressive and equitable city

The planning process of the scheme will encourage residents to get involved and influence decision making for providing safe and improved accommodation along with an improved streetscape

(d) A liveable and low carbon city

The delivery of these homes will increase housing choice within the city and contribute to the availability of neighbourhoods of choice and support growth and ensure that our population can live and work in the city and enjoy a good quality of life.

(e) A connected city

This approach recognises the importance a balanced housing offer plays within a well-connected city and the neighbourhoods within it. It seeks to create neighbourhoods where residents will choose to live and their housing needs and aspirations are met.

7.0 Key Policies and Considerations

(a) Equal Opportunities

The scheme will bring a substantial amount of construction activity and supply chain management across Manchester, which in turn will create and retain a number of employment, skills and training opportunities for the City's residents.

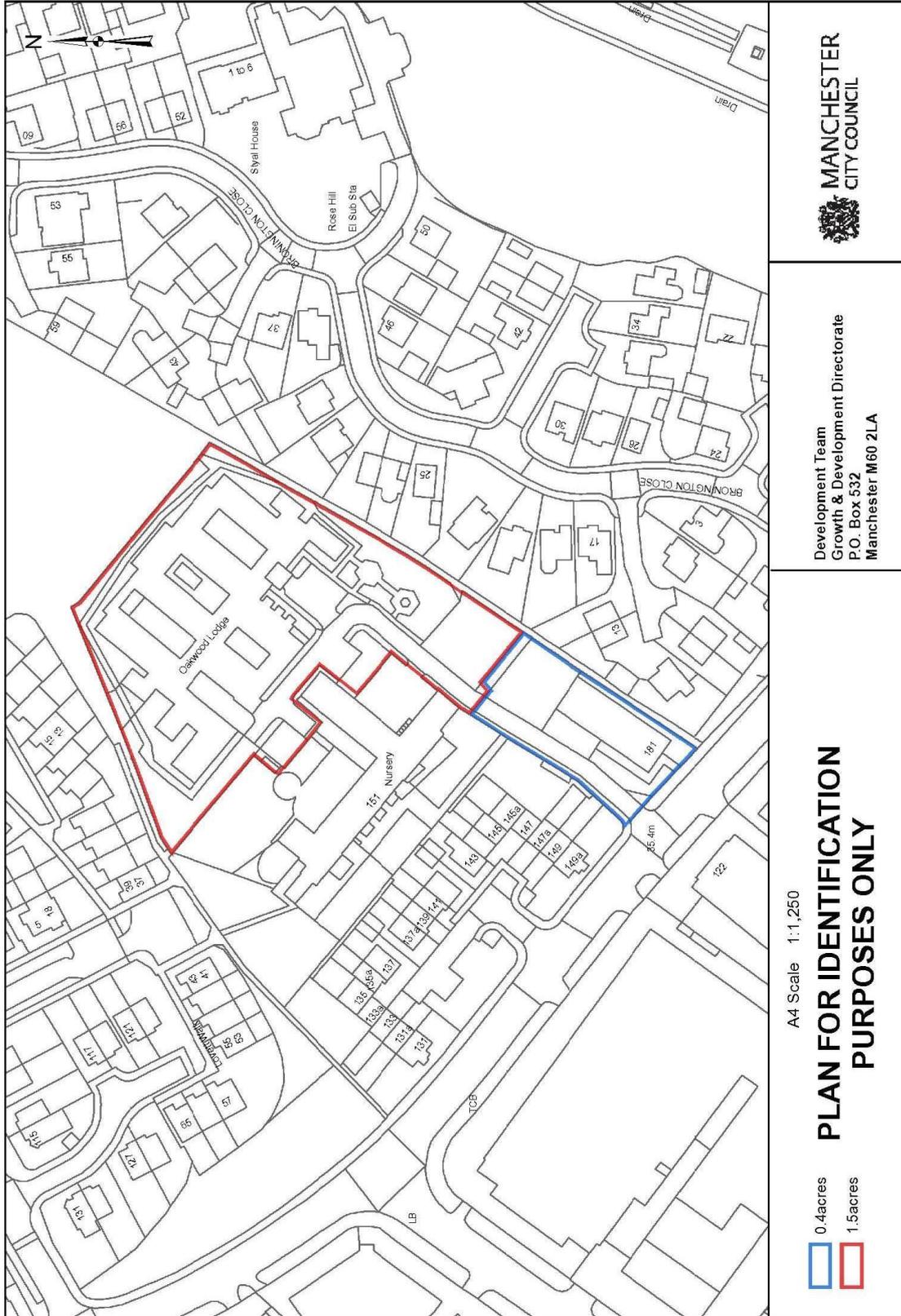
(b) Risk Management

The project governance will comply with the standards set out in the Manchester Method and thereby have robust risk management processes in place

8. Legal Considerations

- 8.1 In view of the fact that the disposal to WCHG - a Registered Provider (RP) – will be a sale at an under value. This amounts to the City Council providing financial assistance under sections 24 and 25 of the Local Government Act 1988 for which the consent of the Secretary of State is required unless the proposal is covered by a General Consent. The proposal comes within the provisions of General Consent A of the General Consents under section 25 of the Local Government Act 1988, 2010 as set out in Part B of this report.
- 8.2 The City Solicitor will continue to support and advise the delivery team to ensure that the necessary arrangements are put in place, which sufficiently protect the Council, and comply with all relevant legislation, regulatory and constitutional requirements.

Appendix One - Oakwood Disposal I.D. Plan



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 Growth & Development Directorate
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A4 Scale 1:1,250

**PLAN FOR IDENTIFICATION
 PURPOSES ONLY**

0.4acres
 1.5acres

