

SHEFFIELD CITY COUNCIL



Cabinet Report

Report of: Executive Director Communities

Report to: Cabinet

Date: 13th January 2016

Subject: Disposal of Land at Fretson Road and Queen Mary Road known as Manor Site 8

Author of Report: Catherine Hughes (20 39677)

Key Decision: YES

Reason Key Decision: Affects 2 or more wards*

Summary:

This report is to recommend the disposal of land at Fretson Road and Queen Mary Road, known as Manor 8, for a private housing development to Gleasons Development Ltd. A plan showing the location of the site is at Appendix B.

The City Council has been approached by Gleasons Development Ltd with a proposal to build 101 new family homes on the site. The development will be a mix of 2, 3 and 4 bedroom properties for sale on the open market.

Gleasons Development Ltd has made a substantial financial offer for the site. The developer has compiled market research to supplement their offer, stating that the size of properties would be in demand for that particular area.

Authority was granted by Cabinet in March 2014 to dispose of the site via the Homes and Communities Agency (HCA) Developer Partner Panel. However, this did not result in any interest for this site.

It is necessary to seek permission from Cabinet to rescind the approval to market the site via the HCA Developer Partner Panel in order to progress negotiations with Gleesons Development Ltd.

The offer from Gleesons Development Ltd fits in with the vision for the area to introduce greater housing choice and increase tenure options in this neighbourhood.

Reasons for Recommendations:

In 2014 Cabinet gave approval to market the site, known as Manor 8, via the HCA Developer Partner Panel, however this was not successful. Prior to this Cabinet approved the disposal of the site in 2006 to Lovell Partnerships Ltd but this agreement was rescinded as Lovell were not able to progress the development due to the onset of the economic downturn and fall in the housing market. No further interest has been shown in this site by developers.

Gleesons Development Ltd has approached SCC with a financial offer for the site and a commitment to develop 101 family homes for sale on the open market.

The offer from Gleesons Development Ltd fits in with the vision for the area to introduce more housing choice and increase tenure choice.

Recommendations:

R1 To declare the land surplus to requirements.

R2 That the decision of Cabinet on the 19th March 2014 be rescinded insofar as it relates to procurement of a developer for Manor 8 using the Homes and Communities Agency's Developer Panel.

R3 That the site known as Manor 8 and identified on the plan attached to this report as Appendix B be disposed of to Gleesons Development Ltd on the terms set out in this report and Appendix A.

R4 That the Director of Capital and Major Projects in consultation with the Executive Director of Communities be authorised to vary any boundaries or terms as required and to instruct the Director of Legal Services to complete the necessary legal documentation to dispose of the site.

R5 That the Director of Capital and Major Projects, in consultation with the Executive Director of Communities, be authorised to advertise the land on the open market should Gleesons and the Council have not entered into a binding contract with 12 months of this report.

Background Papers:

Appendix A: Financial Implications

Appendix B: Plan showing the location of Manor 8 site

Category of Report: **Open except Appendix A**

Appendix A is not for publication because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).

Statutory and Council Policy Checklist

| |
|---|
| Financial Implications |
| YES/NO Cleared by: Paul Schofield |
| Legal Implications |
| YES Cleared by: Andrea Simpson |
| Equality of Opportunity Implications |
| YES/NO Cleared by: |
| Tackling Health Inequalities Implications |
| YES/NO Cleared by: |
| Human Rights Implications |
| YES/NO Cleared by: |
| Environmental and Sustainability implications |
| YES/NO Cleared by: |
| Economic Impact |
| YES/NO Cleared by: |
| Community Safety Implications |
| YES/NO Cleared by: |
| Human Resources Implications |
| YES/NO Cleared by: |
| Property Implications |
| YES Cleared by: Dave Wood |
| Area(s) Affected |
| |
| Relevant Cabinet Portfolio Lead |
| |
| Relevant Scrutiny Committee |
| |
| Is the item a matter which is reserved for approval by the City Council? |
| YES/NO |
| Press Release |
| YES/NO |

REPORT TO CABINET

Disposal of Land at Fretson Road and Queen Mary Road known as Manor Site 8

1.0 SUMMARY

1.1 This report is to recommend the disposal of land at Fretson Road and Queen Mary Road, known as Manor 8, for a private housing development to Gleesons Development Ltd. A plan showing the location of the site is at Appendix B.

1.2 The City Council has been approached by Gleeson with a proposal to build 101 new family homes on the site following discussions with Gleesons about sites in Council ownership which were available for development and would fit the Gleesons development model. The

1.3 development will be a mix of 2, 3 and 4 bedroom properties for sale on the open market.

1.4 Gleesons Development Ltd has made a substantial financial offer for the site. The developer has compiled market research to supplement their offer, stating that the size of properties would be in demand for that particular area.

1.5 Authority was granted by Cabinet in March 2014 to dispose of the site via the Homes and Communities Agency (HCA) Developer Partner Panel. However, this did not result in any interest for this site.

1.6 It is necessary to seek permission from Cabinet to rescind the approval to market the site via the HCA Developer Partner Panel in order to progress negotiations with Gleesons Development Ltd.

1.7 The offer from Gleesons Development Ltd fits in with the vision for the area to introduce greater housing choice and increase tenure options in this neighbourhood.

2.0 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE

2.1 This development will help to deliver on a range of priorities in the Corporate Plan, especially Thriving Neighbourhoods and Communities by;

2.2 **Strong Economy** – Gleesons Development Ltd has completed an economic impact report which sets out the wider associated benefits generated by this development. Gleesons will offer priority employment to those living within 2 miles of the site ensuring that the benefit of jobs and spend go to benefit the local community.

Once the properties are built and occupied this will result in greater economic activity within the area.

2.3 Thriving Neighbourhoods and Communities

The development will increase the housing offer in the area by creating more choice of property type and tenure.

3.0 OUTCOME AND SUSTAINABILITY

3.1 Alongside the planned development of two other sites known as Manor 10 and 11 by the Sheffield Housing Company, the development of Manor 8 for private housing would improve housing choice within the locality, helping to attract and retain a wider mix of economically active households that would support the local economy.

4.0 MAIN BODY OF THE REPORT

4.1 This report is to recommend the disposal of land at Fretson Road and Queen Mary Road, known as Manor 8, for a private housing development to Gleasons Development Ltd. A plan showing the location of the site is at Appendix B.

4.2 Manor 8 – Background

This site has been cleared for a number of years. In 2006 Cabinet approval was given to dispose of the site at less than market value to Lovells.

Planning permission was secured for a development of 124 homes. Unfortunately the economic downturn and the fall in the housing market meant that the developer, Lovells, were unable to progress with their scheme.

A number of attempts were made, working with the developer, to resurrect the scheme. Various solutions were considered but none of these were able to provide a viable solution that would allow them to proceed.

4.3 Following this in 2014 Cabinet gave approval for the site to be marketed via the HCA Developer Partner Panel. The decision was that:

- a) The decision of Cabinet on 22 November 2006 to sell the land shown at Appendix B, known as Manor 8, to Lovell Partnerships Ltd to be rescinded;
- b) A developer be procured for Manor 8 using the Homes and Communities Agency's Developer Partner Panel utilising a competitive tender process led by Commercial Services in accordance with Standing Orders;

- c) The procurement be subject to the landowner's requirements identified in Section 6 of this report;
- d) The Director of Commercial Services or his nominated deputy be granted delegated authority to award a contract for this project;
- e) The Director of Capital and Major Projects be authorised to vary any boundaries as required and to instruct the Director of Legal Services to complete the necessary legal documentation to transfer the site to the successful tenderer on the terms set out in this report.

Following an invitation to tender, no submissions were received from any of the members of this Panel. The feedback we received was about the viability of the site.

- 4.4 Gleasons Development Ltd has approached SCC with a proposal to develop the site with 101 new family homes following discussions with Gleasons about sites in Council ownership which were available for development and would fit the Gleasons development model. The development will be a mix of 2, 3 and 4 bedroom houses all for sale on the open market. This is in keeping with the original vision for the site.
- 4.5 The 2014 Cabinet decision must be rescinded by Cabinet before the offer from Gleasons Development Ltd can be progressed.

4.6 **Legal Implications**

- 4.7 The site is a cleared Council housing site, held for the purposes of Part II of the Housing Act 1985. Section 32 of that Act provides that land held for housing purposes may only be disposed of with the consent of the Secretary of State. The Secretary of State has, by virtue of the General Housing Consents 2013, given a general consent to certain categories of disposal that would otherwise be subject to a specific application for consent. These include consent for the disposal of land at a consideration equal to the market value of the land.

- 4.8 The site was part of the wider Manor Funding Agreement with English Partnerships (now subsumed within the HCA), which paid for infrastructure works in the area. Under the terms of the agreement, the Council is entitled to a base value (aligned to estimated market value) when the site is sold, with the HCA entitled to any additional receipt.

4.9 **Financial Implications**

Gleasons Development Ltd has approached the Council with a substantial financial offer for the site. The details of this offer are in Appendix A.

5.0 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 The site continues to be marketed via the HCA Developer Partner Panel. However this site has been available to the panel since 2014 and no interest has been received to date.
- 5.2 To not accept the offer from Gleesons Development Ltd. This would mean the site will remain undeveloped and the Council will continue to carry the maintenance liability for the site, forego the additional Council Tax and now have the homes the city requires.
- 5.3 To advertise the land on the open market for sale and consider any offers that may be received. However, as the offer from Gleesons represents the open market value for the site and no other developers have come forward over a period of time, it is not anticipated that there will be any better offers forthcoming.

6.0 REASONS FOR RECOMMENDATIONS

- 6.1 In 2014 Cabinet gave approval to market the site, known as Manor 8, via the HCA Developer Partner Panel, however this was not successful. Prior to this Cabinet approved the disposal of the site in 2006 to Lovell Partnerships Ltd but this agreement was rescinded as Lovell were not able to progress the development due to the onset of the economic downturn and fall in the housing market. No further interest has been shown in this site by developers.
- 6.2 Gleesons Development Ltd has approached the Council with a financial offer for the site and a commitment to develop 101 family homes for sale on the open market.
- 6.3 The offer from Gleesons Development Ltd complies with the vision for the area to introduce more housing choice and increase tenure choice.

7.0 REASONS FOR EXEMPTION (if a Closed report)

- 7.1 Appendix A is presented as an exempt item because it contains exempt information under paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended). The reason for its exemption is that the Appendix contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

8.0 RECOMMENDATIONS

- 8.1 To declare the land surplus to requirements.
- 8.2 That the decision of Cabinet on the 19th March 2014 be rescinded insofar as it relates to procurement of a developer for Manor 8 using the Homes and Communities Agency's Developer Panel.
- 8.3 That the site known as Manor 8 and identified on the plan attached to

this report as Appendix B be disposed of to Gleasons Development Ltd in the terms set out in this report and Appendix A.

- 8.4 That the Director of Capital and Major Projects in consultation with the Executive Director of Communities be authorised to vary any boundaries or terms as required and to instruct the Director of Legal Services to complete the necessary legal documentation to dispose of the site.
- 8.5 That the Director of Capital and Major Projects, in consultation with the Executive Director of Communities, be authorised to advertise the land on the open market should Gleasons and the Council have not entered into a binding contract with 12 months of this report.

Author: Catherine Hughes
Job Title: Project Officer
Date: 13th January 2016

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