

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 03 March 2022

TITLE	Astry Close, Community Led Housing	
Ward(s)	Avonmouth and Lawrence Weston	
Author: Miles Reynolds	Job title: Property Development Manager	
Cabinet lead: Cllr Tom Renhard, Cabinet Member Housing Delivery and Homes	Executive Director lead: Stephen Peacock, Executive Director Growth and Regeneration	
Proposal origin: BCC Staff		
Decision maker: Cabinet Member Decision forum: Cabinet		
Purpose of Report:		
<ol style="list-style-type: none"> To seek approval to grant a new 999-year lease of Council owned land at Astry Close in Lawrence Weston to Ambition Lawrence Weston (ALW) to enable the community group to develop a community led housing scheme of 36 homes in partnership with Brighter Places. The new lease would be granted at undervalue with no capital receipt or rental income due to the Council and is therefore a disposal at less than best consideration under Section 123 of the Local Government Act 1972. 		
Evidence Base:		
<ol style="list-style-type: none"> On the 4 February 2020 Cabinet authorised the adoption of the Council’s Community led Housing Land Disposal Policy. Community led housing enables local people to play a leading and lasting role in solving local housing problems, creating genuinely affordable homes and strong communities in ways that are difficult to achieve through mainstream housing development. The Council worked to develop the Community Led Housing Land Disposal Policy to enable development of land by Community Led Housing Groups. Under the Community Led Housing Land Disposal Policy, Cabinet approvals will be sought to dispose of Council sites with the potential to deliver more than 10 homes. The land at Astry Close is owned by the Council and extends to a gross area of approximately 0.78 hectares (1.92 acres) and comprises of a cleared site which was previously developed for precast reinforced concrete houses which have since been demolished, together with highway verge and adopted highway along the length of Astry Close. A stopping up order will be required for those parts of the site which are currently highway, and which will not be part of the adopted highway in a reconfigured layout under the current development proposals. Local community group Ambition Lawrence Weston (ALW) have been working in partnership with housing association Brighter Places to project manage and deliver an affordable housing scheme on the land. ALW have been working on the development proposals since 2016 when the Council first provided support for the project. Heads of terms for the land disposal to ALW were first agreed in 2017. The proposed scheme is a development of 36 dwellings comprising 34 affordable homes and 2 self-build homes. A resolution to grant planning (application number 19/03660/F) was passed at Development Control committee on 15 April 2021. ALW or Brighter Places will be invited to bid for Bristol City Council grant towards the delivery of the affordable housing 		

as part of a new, targeted community led housing bidding round which is due to be open in the Spring of 2022. Most of the public funding for the homes will come from Homes England. As the land is being offered to ALW at nil consideration the scheme viability and deliverability will be improved and the reliance on public subsidy will be reduced.

8. The proposed homes are specified to exceed Building Regulations requirements for thermal performance and air tightness. Mechanical Ventilation with Heat Recovery systems are proposed providing controlled ventilation. Homes will also include individual air source heat pumps and photovoltaic roof mounted systems to generate on site renewable energy. It is outlined that the development will include fibre to the premises (FTTP) broadband to all homes.
9. Under the terms of the proposed disposal the Council would grant a new 999-year lease to ALW or a community land trust or a similar legal structure to be agreed. ALW will then grant an underlease to Brighter Places who will complete and own the housing development. ALW will receive a ground rent of £4 per week for each home from Brighter Places and the opportunity to purchase 6 completed homes at cost price, to be owned and managed by the community group.
10. The ground rent and rental from the six homes will be used by ALW to support their work in Lawrence Weston as part of the Corporate Strategy.
11. The Council has obtained a valuation of the land from JLL who have reported a market value of £910,000 on the basis that this is the best consideration obtainable should the Council seek to dispose of the land in the market to a private developer for a housing scheme which would deliver a policy compliant level of affordable homes only.
12. Under the terms proposed for the new lease to ALW the premium received by the Council would be a nominal £1.00. The transaction would therefore be at an undervalue of £910,000.
13. The Council is supporting other ALW led projects in Lawrence Weston including a new community hub where a grant of £1.15 million has been approved to deliver the hub development on a Council owned site where ALW is due to be granted a new 35-year community asset transfer (CAT) lease at an undervalue.
14. The Council is also providing funding and support, including Council owned land to be leased to ALW at an undervalue to facilitate the development of a community wind turbine. The total amount of public funds to support this project, including the undervalue amount, is c.£1.5 million.

Cabinet Member / Officer Recommendations:

That Cabinet are asked to:

1. Approve the disposal of the land at Astry Close at less than best consideration for the development of community led housing.
2. Authorise the Executive Director for Growth & Regeneration in consultation with the Cabinet Member for Housing Delivery and Homes to agree terms for the grant of and enter into a 999-year lease with Ambition Lawrence Weston, at an undervalue.

Corporate Strategy alignment:

1. Key Commitment 1: Make sure that 2,000 new homes (800 affordable) are built in Bristol each year by 2020.
2. Fair and Inclusive - Prioritise community development and enable people to support their community.

City Benefits:

1. The development is being delivered within one of the most deprived communities in the City.
2. The project will deliver affordable and self-build homes.

Consultation Details:

1. Community - The proposals for the site have been 'co-designed' and project developed in close consultation with the local community
2. Planning – a planning application number 19/03660/F for the proposed scheme has been subject to public consultation as part of the planning process.

Background Documents:

Planning application [19/03660/F](#)

Revenue Cost	£0.00	Source of Revenue Funding	Not applicable
Capital Cost	£910,000	Source of Capital Funding	Not applicable
One off cost <input checked="" type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice:

The paper seeks to approve grant a new 999-year lease of Council owned land at Astry Close to develop a community led housing scheme of 36 homes. This is in line with Council’s pledge to support community led housing approved by cabinet on 4th February 2020. This site falls within the criteria of Council’s Community led Housing Land Disposal Policy.

The financial implication is that the Council is disposing of land at a nominal value of £1 and foregoing a potential capital receipt estimated at £910,000, in return for 36 affordable homes, equivalent to contribution of circa £25,000 per home. The average grant provided from the Affordable Housing Funding Programme (AHFP) is around £60,000, therefore, this investment deemed to be providing better value for money.

Furthermore, Social Value Calculator estimates that scheme provides £XXXX of monetary value of social benefits which includes reducing crime, improve education outcomes and improve health and well-being.

In the event of Ambition Lawrence Weston fail to start on site within 15 months of the lease start date, the Council has the ability to exercise the break clause at nil premium.

The scope for pipeline of capital receipts to support the delivery of the capital programme has yet to be determined and is currently working in progress. Therefore, at this stage it is unknown whether Astry Close will fall within the scope. Please note this asset was not on previous pipelines for disposal of properties. However, sale of any asset below market value will reduce the value of receipts needed to support the financing of the capital programme.

The granting of long-term leases will be treated as a disposal within the Statutory Accounts of the Authority and will have no revenue impact.

Finance Business Partner: Aisha Bapu , Finance Business Partner, 16 February 2022

2. Legal Advice: The Council is under a duty by virtue of S123 of the Local Government Act 1972 to achieve best value for its assets and any disposal should be at the best price reasonably obtainable. The duty to seek best consideration is subject to certain exceptions, most notably section 2 of the Local Government Act 2000 providing the Council with well-being powers to accept a disposal at undervalue within the £2 million threshold, where the authority considers the disposal will help it to secure the promotion or improvement of the economic, social or environmental well-being of its citizens.

Legal Team Leader: Andrew Jones, Team Leader, 21 February 2022

3. Implications on IT: I can see no implications on IT in regards to this activity.

IT Team Leader: Gavin Arbuckle – Head of Service Improvement and Performance, 10 December 2021

4. HR Advice: There are no HR implications evident

HR Partner: Celia Williams , HR Business Partner 03 December 2021

Housing Delivery Board	Stephen Peacock, Executive Director Growth and Regeneration	24 November 2021
EDM Sign-off	Stephen Peacock, Executive Director Growth and Regeneration	5 January 2022

Cabinet Member sign-off	Cllr Renhard, Cabinet Member Housing Delivery and Homes	10 January 2022
For Key Decisions - Mayor's Office sign-off	Mayor's Office	31 January 2022

Appendix A – Further essential background / detail on the proposal 1. Site plan reference N7645b. 2. Proposed site ground floor plan 1804-P-102-E 3. Cabinet paper 4/2/20	YES
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	YES
Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of proposal	YES
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information	No
Appendix J – HR advice	NO
Appendix K – ICT	NO
Appendix L – Procurement	NO