

## CABINET MEMBER DECISION RECORD TEMPLATE

This form should be used to record Executive decisions taken by Cabinet Members

<b>Decision Ref. No:</b>
<b>Responsible Officer: Lorraine Mealings, Head of Housing &amp; Customer</b>
<b>Subject: Palmerston Road Car Park Shared Ownership Housing Development</b>
<p><b>Decision taken:</b></p> <ol style="list-style-type: none"> <li>1. To progress the construction of 12 affordable homes on the Palmerston Road Car Park and to dispose of the properties by way of shared ownership leases to qualifying applicants.</li>   <li>2. To appropriate for planning purposes pursuant to section 237 of the Town and Country Planning Act 1990 (TCPA) the Palmerston Road Car Park as identified hatched black on the attached plan and subsequently to appropriate the land for housing purposes pursuant to section 232 of the TCPA to the Housing Revenue Account for the delivery of affordable housing.</li> </ol>
<p><b>Reasons for the decision:</b></p> <p>To fulfil the Council's Corporate Plan priority areas of 'Meeting Bournemouth's Housing Needs' and the regeneration of Boscombe.</p>
<p><b>Call-in and Urgency:</b> This decision is subject to the Council's call in procedure.</p>
<p><b>Background:</b></p> <p>On 18th December 2013 Cabinet approved the use of the Palmerston Road Car Park site for a housing development and delegated authority to the Service Director, Housing Parks &amp; Bereavement in consultation with the Ward Members and Portfolio Holder for Housing to finalise the design proposals and to submit a planning application.</p> <p>The delivery of affordable housing, which includes shared ownership options, is one of the Council's priorities as set out in its Housing Strategy. One of the 8 key aspirations within the Bournemouth Housing Strategy 2013-2020 is 'The right supply of new homes including maximising affordable housing'.</p> <p>The Council's Corporate Plan 2015/6 identifies 'An Improving Environment' as one of four key priorities. One key element of this is 'Meeting Bournemouth's Housing Needs'.</p> <p>The regeneration of Boscombe is a Council priority and recommendations for housing in this area include:</p> <ul style="list-style-type: none"> <li>• The Boscombe Strategic Assessment 2011: an increase in the proportion of owner occupied affordable housing and a more balanced housing market</li> </ul>

including larger affordable family homes.

- Homes for Boscombe Strategy: The objectives of Boscombe regeneration include securing a more sustainable profile of accommodation by increasing the number of owner occupiers, improving the quality of accommodation across all tenures, offering low cost home ownership initiatives and increasing family accommodation.
- The Boscombe Commitment and Action Plan 2012 - 2015: commits to increasing the number of those owning their own homes.

This housing development offers the opportunity to deliver the objectives and recommendations set out above by providing Low Cost Home Ownership for families on this site.

A scheme of twelve, two and three bed family houses was subsequently progressed and planning permission was granted on 30<sup>th</sup> November 2015. This will provide much needed affordable housing in the Borough and assist first time buyers who may otherwise be excluded from purchasing a home because of affordability or deposit constraints.

‘Help to Buy South West’ is the Government appointed agent for this form of affordable housing and will therefore assess applications and confirm eligibility. All low cost home ownership options developed by Registered Providers locally are usually marketed through this route. The eligibility criteria includes:

- Household income of less than £60,000 (although this is proposed to increase to £80,000).
- Prospective buyers who are unable to afford to purchase a home suitable for housing needs on the open market.
- Not already a home owner or named on a home mortgage.
- Able to sustain home ownership in the longer term.

**Options - and reasons for rejection:**

1. To retain the completed properties as affordable rented housing. Whilst this will provide good quality homes for people on a low income, this will not fully meet the objectives of the Boscombe Commitment or Homes for Boscombe Strategy which seeks to increase the number of owner occupiers in this area.
2. To retain the completed properties and to hold them in a property company within the Bournemouth Group so that they can be let as market-rented housing to maximise the revenue returns for the Council. Boscombe already has a proliferation of private rented accommodation - 61% of housing was privately rented as at the time of the 2011 census compared with 31% for Bournemouth as a whole. This has resulted in a more transient local population.
3. To sell the site without restriction to generate a capital receipt. An independent valuation has assessed the market at £755,000. However, this valuation was completed on the basis that the site was free from contamination and the presence of Japanese Knotweed on site would reduce both the number and the level of offers likely to be received from potential purchasers. Whilst this option could still generate the highest initial financial

return, the Council would lose control of the site and the development would not be used in the furtherance of its housing and regeneration objectives.

**Consultations undertaken:**

1. December 2013 - Boscombe West, Central, Talbot Woods & Branksome Park ward members briefing session on the potential housing sites and the preferred use for each sites.
2. Cllr Jane Kelly, Portfolio Holder for Partnerships, Regeneration and Public Health & Boscombe West Ward member and Cllr Robert Lawton, Portfolio Holder Housing, were consulted on the detailed content of the proposed scheme and supported the proposals.
3. May 2015 - An external consultation was undertaken by the Housing team. Letters and plans were sent to 108 residents and businesses containing information on the proposed scheme.
4. A number of comments made during the consultation period stated concern with the impact of parking availability.

**Finance/Resource Implications:**

The total cost of the scheme is estimated at £2.15 million, which includes a 10% works contingency. This is based on estimated construction costs which will be tendered. It is proposed that a 50% equity share will be sold initially, producing a capital receipt of £1.34 million. The Homes and Communities Agency (HCA) has approved, in principle, grant funding of £288,000, which is assumed within the costings.

The provision of affordable housing proposed here will sit within the HRA, following the appropriation of land from the General Fund. It is proposed to fund the scheme through prudential borrowing or other borrowing within the HRA.

The Council will need to secure approximately £490,000 of borrowing to fund the remaining costs of the scheme (based on the assumptions within the financial model). The borrowing will be serviced from the rent receivable on the retained share of the new units. The unsold equity share of the properties will generate an initial annual rent of £37,000, which will cover the annual borrowing costs and return a surplus back to the HRA from Year One.

The financial model is based on the worst case scenario of no additional shares of the properties being subsequently sold. Notwithstanding this, the scheme will contribute positively each year and is forecast to create a surplus over 30 years of £891,000.

The market value of the completed homes will be determined by an external valuer and the price of the equity share will be set with reference to this valuation. Therefore, the disposal of the 50% equity share is at full market value.

The development of the site for shared ownership housing will not maximise the site value. An independent valuation has assessed the unrestricted value of the site at £755,000 and its restricted value for a shared ownership scheme £545,000. These valuations assume that the site is free from contamination and both the unrestricted and restricted values would need to be reduced to reflect the cost of eradicating the Japanese Knotweed which has been discovered on the site. Notwithstanding this, the under value would remain constant at £210,000, which is the value of the voluntary restrictions placed on the site by the Council.

Whilst the long term benefits are assessed at £891,000, this will be achieved over a 30 year period and the net present value is therefore less than the unrestricted value.

The land will need to be appropriated from the General Fund to the HRA at market value. This value will reflect any voluntary restrictions placed on the site by the Council and any site abnormal, including contamination. Independent advice has been obtained from a building surveyor which indicates that, in a worst case scenario, remediating the Knotweed infestation could cost up to £965,500, based on an excavation of the site to a depth of 2.5m and off-site disposal of the contaminated soil. Since this figure exceeds the restricted value of the land, it will be appropriated at nil consideration from the General Fund to the HRA.

Name: *A. Richards* Signature: (of Chief Finance Officer)  
Date: *3/3/16*

**Legal implications:**

Section 122 Local Government Act 1972 provides that the Council may appropriate for any purpose any land which belongs to the Council and is no longer required for the purpose for which it is held immediately before the appropriation. Section 237 provides that the local authority may appropriate for planning purposes so as to permit development and subsequent use of the land in accordance with planning permission, even if private rights are affected. Where the beneficiary of such right or restriction suffers loss as a result of the subsequent development, compensation can be claimed under Section 10, Compulsory Purchase Act 1965.

The appropriation must be in the interests of the proper planning of the area. Since the appropriation is made in conjunction with a planning application for the development of the land, the use of these statutory powers to further the Corporate Priority of 'Improving our Environment' by increasing the affordable housing stock is considered to be in the interests of proper planning.

Section 232 of the TCPA provides that the Council may further appropriate the land for any other purpose. The Council therefore intends to appropriate the land for housing purposes to provide affordable shared ownership accommodation.

Section 123 of the Local Government Act 1972 requires local authorities to achieve *best consideration* in the sale of its assets. Any sale below market value needs approval from the Secretary of State. *Circular 06/03: Local Government Act 1972 general disposal consent (England) 2003 disposal of land for less than the best consideration that can reasonably be obtained* grants consent provided that the undervalue does not exceed £2,000,000 and the authority considers will help it to secure the promotion or improvement of the economic, social or environmental well-being of its area. Since the under value, reported above, is less than £2,000,000 and the development will enhance the economic, social or environmental well-being of Boscombe, these criteria are met and the Council is therefore able to proceed with a disposal at below market value.

Name: [Redacted]

Signature: *Deputy*  
(of Monitoring Officer)

Date: 30 March 2010.

**Risk assessment:**

An initial risk assessment has been completed with the suggested criteria on which to score the type of project. The project is identified as High risk due to the very nature of the scheme in terms of cost being over £501,000 and because the project is being funded through borrowing.

This risk is mitigated by including an allowance of a 10% contingency in the financial model.

Name: S Longthorpe

Signature: [Redacted]

Date: 3/3/16

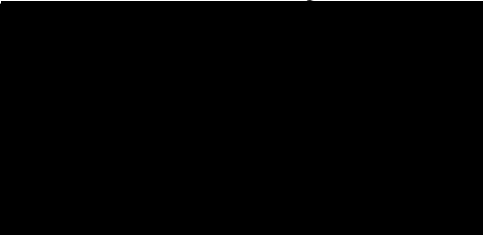
**Impact Assessments:** Environmental and Equality and Diversity Impact Assessments have been completed.

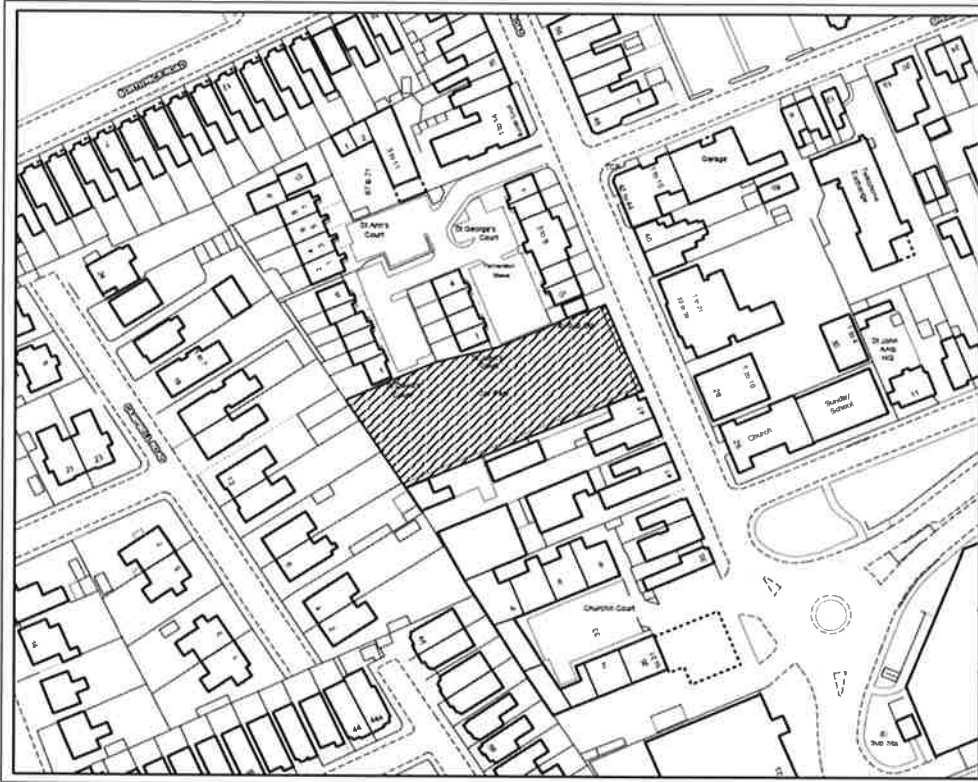
**Information for/not for publication:** For publication

**Background papers:**

- Bournemouth Housing Strategy 2013-2020
- Homes for Boscombe Strategy
- Boscombe Commitment
- Inward Investment Cabinet Report 18<sup>th</sup> December 2013
- Environmental Assessment
- Equality Impact Needs Assessment
- Risk Assessment

Any conflict of interest declared by a Cabinet Member who is consulted by the	Name of Cabinet Member	Nature of interest	Details of any dispensation granted by the Monitoring Officer

Member taking the decision			
No (*Delete as appropriate)			
<p><b>Decision taken by:</b></p> <p>Councillor Robert Lawton</p> <p>Portfolio Holder for Housing</p>  <p>Signed: 3.3.16</p> <p>Date of decision:</p> <p>Date of publication of record of decision: (to be inserted by Democratic Services)</p> <p>Date decision effective - that is 5 working days after the date of publication of the record of decision unless the decision is called-in for consideration by the relevant Overview and Scrutiny Panel:</p> <p>4/3/16 -insert date-</p>			



**Palmerston Road Car Park**

Scale 1:1250

Date: 7 April 2015

Drawn by: John Swindell

Drawing No: PRCP/01/appropriation



SERVICE DIRECTOR  
ENVIRONMENT & REGENERATION SERVICES  
ROGER BALL

**PROPERTY SERVICES**



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# Equality Impact Needs Assessment



BUILDING A BETTER  
BOURNEMOUTH.

The Diversity Promise - *Making it Happen!*

Title of Policy/Service/Project	Construction of twelve residential units at Palmerston Road, Boscombe
Service Unit	Housing
Lead Responsible Officer and Job Title	John Findley, Housing Development Manager
Members of the Assessment Team:	Lindsay Shearer, Project Manager
Date assessment completed:	3 <sup>rd</sup> November 2015

## About the Policy/Service/Project:

<p>What type of policy/service/project is this? (delete as appropriate)</p> <p>Existing      <u>New</u>/proposed      Changing</p>
<p>What are the aims/objectives of the policy/service/project? (please include here all expected outcomes)</p> <ul style="list-style-type: none"> <li>• To provide additional sustainable affordable housing. The completed project will provide much needed additional affordable housing with reduced running costs.</li> <li>• The project will provide an increase in job opportunities within the construction sector during the construction phase.</li> <li>• The regeneration of Boscombe is a Council priority and has seen much proactive work taking place. The objectives include a more sustainable profile of accommodation by increasing the number of owner occupiers by offering low cost home ownership initiatives.</li> <li>• The scheme will generate a long term surplus to the General Fund.</li> </ul>

Are there any associated services, policies or procedures?	Yes/ <u>No</u>
If 'Yes' , please list below: N/A	
List the main people, or groups of people, that this policy/service/project is designed to benefit and any other stakeholders involved?	
Families, couples and single households that wish to part own a property.	
Will this policy/service/impact on any other organisation, statutory, voluntary or community and their clients/service users?	
No	

## Consultation, Monitoring and Research

Where there is still insufficient information to properly assess the policy, appropriate and proportionate measures will be needed to fill the data gaps. Examples include one-off studies or surveys, or holding informal consultation exercises to supplement the available statistical and qualitative data.

If there is insufficient time before the implementation of the policy to inform the EINA, specific action points will be need to be clearly set out in the action plan. Steps must include monitoring arrangements which measure the actual impact and a date for a policy review.

**Consultation:**

<p>What involvement/consultation has been done in relation to this (or a similar) policy/service/project and what are the results?</p> <p>Consultation with the relevant portfolio holder on the strategic approach to new council housing and the portfolio holder and ward councillors on the individual scheme, the Homes and Communities Agency and relevant council staff and local residents.</p>
<p>If you have not carried out any consultation, or if you need to carry out further consultation, who will you be consulting with and by what methods?</p> <p>N/A</p>

**Monitoring and Research:**

<p>What data, research and other evidence or information is available which is relevant to this EINA?</p> <p>The Help to Buy agent, Help to Buy South West will assess applications and will notify applicants of their eligibility in respect of the shared ownership properties.</p>
<p>Is there any service user/employee monitoring data available and relevant to this policy/service/project? What does it show in relation to equality groups?</p> <p>Annual CORE data, resident surveys etc.</p> <p>Admission for new residents to the scheme will be by objective eligibility criteria. The shared ownership units will be assessed by Help to Buy South West.</p>
<p>If there is a lack of information, what further information do you need to carry out the assessment and how are you going to gather this?</p> <p>N/A</p>

## Assessing the Impact

	<b>Actual or potential benefit</b>	<b>Actual or potential negative outcome</b>
<b>Age</b>	Admission for new residents to the scheme will be by objective eligibility criteria, which will be operated by Help to Buy South West.	The specific properties are designed for families, couples and single households. However there will be no loss of existing provision for other client groups as a result of this project.
<b>Disability</b>	Properties will be constructed to the Part M of the Building Regulations.	No issues regarding disability have been identified but this factor will be considered / monitored along with any service users identified needs.
<b>Gender</b>	Properties will be available to all eligible applicants.	No issues regarding gender have been identified but this factor will be considered / monitored along with any service users identified needs.
<b>Race</b>	Properties will be available to all eligible applicants.	No issues regarding race have been identified but this factor will be considered / monitored along with any service users identified needs
<b>Religion or Belief</b>	Properties will be available to all eligible applicants.	No issues regarding religion or belief have been identified but this factor will be considered / monitored along with any service users identified needs
<b>Sexual Orientation</b>	Properties will be available to all eligible applicants.	No issues regarding sexual orientation have been identified but this factor will be considered / monitored along with any service users identified needs
<b>Transgender</b>	Properties will be available to all eligible applicants.	No issues regarding transgender have been identified but this factor will be considered / monitored along with any service users identified needs
<b>Any other factor/ groups e.g. socio-economic status/carers etc</b>	Properties will be available to all eligible applicants.	No other issues have been identified but these factors will be considered / monitored along with any service users identified needs

	Actual or potential benefit	Actual or potential negative outcome
Human Rights	Will facilitate Article 11 of the International Covenant on Economic, Social and Cultural Rights – the right of everyone to an adequate standard of living for themselves and their family, including adequate food, clothing and housing.	No human rights issues have been identified but these factors will be considered / monitored along with any service users identified needs

**Stop - Any policy which shows actual or potential unlawful discrimination must be stopped, removed or changed.**

If impacts have been identified include in the action plan what will be done to reduce these impacts, this could include a range of options from making adjustments to the policy to stopping and removing the policy altogether. If no change is to be made, explain your decision:

N/A

## Action Plan

Include:

- What has/will be done to reduce the negative impacts on groups as identified above.
- The arrangements for monitoring the actual impact of the policy/service/project

Issue identified	Action required to reduce impact	Timescale	Responsible officer	Which Business Plan does this action link to e.g. Service Equality Action Plan/Team Plan
The properties are designed for families, couples and single households.	The identification of housing need for specific client groups within the Borough will be monitored as part of the ongoing Housing Strategy process.	Ongoing	Strategic Housing Services Manager	Housing Strategy

# G2 Initial Risk Assessment



PROJECT NAME:

Palmerston Road Car Park - Shared Ownership Housing Development

PROJECT NUMBER: *To be obtained from PMO*

PROJECT RISK LEVEL:

HIGH \*

Table 1 - Suggested criteria on which to score the type of project (please tick appropriate category)					
CRITERIA				Score	
1) Duration of Project	0-6 months <input type="radio"/>	7-12 months <input type="radio"/>	Above 1 year <input checked="" type="radio"/>	6	
2) Effort	1-4 people (FTE) <input checked="" type="radio"/>	5-10 people (FTE) <input type="radio"/>	11+ people (FTE) <input type="radio"/>	1	
3) Business Impact	Service Unit/Service <input type="radio"/>	More than 1 SU <input checked="" type="radio"/>	Council/External <input type="radio"/>	6	
4) Priority	Desirable <input type="radio"/>	Highly Desirable <input checked="" type="radio"/>	Essential <input type="radio"/>	3	
5) Costs &/or Savings	Up to £250k <input type="radio"/>	£251k-£500k <input type="radio"/>	Over £501k or if project is to be funded through prudential borrowing <input checked="" type="radio"/>	28	
6) Risk Impact	Low Impact - Minor service disruption/inconvenience, minor injury, small financial loss, isolated service user complaint. <input checked="" type="radio"/>	Medium Impact - Service disruption, More serious injury or financial loss, adverse media coverage, numerous service user complaints <input type="radio"/>	High Impact - Significant or total service disruption, major disabling injury or fatality, high or catastrophic financial loss, adverse national media coverage, ministerial intervention in service running. <input type="radio"/>	1	
				Risk Score	45

A numerical rating is applied to each cell (see Table 1) For example a 'Priority' of 'Highly Desirable' is worth 3 points and a 'Cost' of '£501-£1m' is worth 5 points. Totalling the points scored for each 'criteria' gives a project score. This score is then mapped against a project-risk status in Table 1 below:

Table 1 - Risk Status	
Project Risk Rating	Points Total
Low	Between 10-18
Medium	Between 19-35
High	36+