

# BRIEFING NOTE

Date: 8<sup>th</sup> February 2012

Title: East Street Dinnington – Land Disposal to Arches Housing Group

From: Liz Hunt

To: DLT, SLT, CABINET

## 1 Summary / Key Issues

It was previously approved to sell Council owned land at East Street Dinnington to Great Places Housing Group. (Minute number 63 – 7<sup>th</sup> September 2011).

However, HCA new grant administration (2011-15 programme) requires a reversal of this minute and an amendment to the previous recommendation to allow the land to transfer to Arches Housing, rather than Great Places Housing. Westleigh Developments Ltd will continue to act as the Developer partner to build the Affordable Homes and Build and market the Market Sales units.

## 2 Background

Previous approval was given to sell this land to Great Places Housing Group – in order that it could be developed out with a high proportion of Affordable Housing. However, the HCA only allocated 62 units of grant funding to Great Places for Yorkshire & the Humber, not the 129 that they bid for. This reduced grant allocation means that they can only work in partnership with Westleigh Developments on the Timber Yard site, Out gang Lane, Dinnington. Fortunately Arches Housing Group – a partner in RP in Rotherham have agreed to take on Great Places role and use £1,421,870 of their HCA grant, as well as their own finances to build out this scheme.

The East Street Scheme will deliver 41 units of affordable Housing – 36 for rent and 5 for Shared ownership and 32 market sales units. (Total 73 new homes). Additionally 4 of the rented units will be Disabled Person units to help meet this specialist housing provision in the area.

The affordable housing plots will be sold to Arches Housing at £3,000 per plot and the market unit plots at £10,000 per plot – with an overage agreement based on a profit share model. The total receipt to the Council will be £443,000 plus overage. The total capital investment to fund the building of these new

homes will be £7,700,000.

In order to draw down 75% of the £1,421,870 a start on site must be achieved by 20<sup>th</sup> March 2012. This up front payment is crucial to finance the early stages of the build. It is key that approval is given in order that this happens.

The housing mix accords with housing needs and the Council will receive 100% nomination rights for applicants on the Housing register.

The Affordable Housing units will be built out by spring 2012 (weather depending) and the market units for sale by 2015.

This is a positive housing offer for Dinnington and gives a strong message to the Community that regeneration is continuing. Without the benefit of HCA grant funding the site would be unviable and mothballed until the housing market picks up

### **3 Next Steps**

A licence will be issued to allow Arches housing to begin site investigations (at their own risk).

Planning approval will be sought prior to 20<sup>th</sup> March 2012.

Internal Council approvals will be sought.

Heads of Terms and details of the overage agreement will be finalised in order that a land sale can take place if Cabinet approval is given.