

## **TELFORD & WREKIN COUNCIL**

**CABINET - 15 OCTOBER 2015**

**HAYBRIDGE HALL, HADLEY**

**REPORT OF ASSISTANT DIRECTOR: DEVELOPMENT, BUSINESS & EMPLOYMENT**

**LEAD CABINET MEMBER – COUNCILLOR RICHARD OVERTON**

### **PART A) – SUMMARY REPORT**

#### **1. SUMMARY OF MAIN PROPOSALS**

- 1.1 The Haybridge Hall building is owned by the Wrekin Housing Trust (WHT) but has been unoccupied for some years now and has gradually deteriorated with repairs deemed uneconomic.
- 1.2 The building is not listed or located in a conservation area but is now included on the Council's Buildings of Local Interest list.
- 1.3 WHT submitted a planning application for the demolition of the existing building and construction of 4 new build bungalows on 14 March 2014. This application was determined at the Planning Committee on 14 January 2015 where Members of Telford & Wrekin Council refused the application following Officer recommendations.
- 1.4 Subsequently, WHT submitted papers with a view to applying for prior approval to demolish the flats. This led the Council to seek Cabinet Approval for officers to determine whether to issue an Article 4(1) Direction which would remove permitted development rights for demolition and require a full planning application. On 25 June Cabinet approved the delegation to the Director of Neighbourhood, Customer and Cultural Services to permit the Article 4 to be served. This has not been done pending the outcome of discussions with WHT regarding an agreed solution that would bring the building back into viable use for affordable housing.
- 1.5 Following discussions with the WHT this report seeks Cabinet approval to provide WHT, with funding in the form of a grant from agreed S106 contributions for off-site affordable housing, to assist in the redevelopment of Haybridge Hall for ten affordable apartments. WHT are also seeking a contribution to the scheme from the Homes & Communities Agency. Subject to the appropriate planning approvals this funding mix would enable WHT incorporating their own funds to deliver a financially viable scheme which provides additional affordable accommodation to that offered under their previous proposals and brings a building of local historic importance back into use.

#### **2. RECOMMENDATIONS**

- 2.1 That Cabinet approves a supplementary capital approval, capital estimate and temporary borrowing (pending the receipt of Section 106 contributions of £0.475m to fund the grant to support the provision of affordable housing described in paragraph 1.5 above)
- 2.2 That Cabinet authorise the Assistant Director Development, Business & Employment to enter into the proposed grant agreement referred to in this report.

### 3. SUMMARY IMPACT ASSESSMENT

<b>COMMUNITY IMPACT</b>	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	The scheme will ensure the partial retention of the Haybridge Hall building bringing a building of local interest that has been vacant for a considerable period back into use for the provision of 10 affordable homes
	Will the proposals impact on specific groups of people?	
	No	
<b>TARGET COMPLETION/DELIVERY DATE</b>	Cabinet approval 15 October 2015. Subject to HCA confirming funding and planning approval, WHT will lead delivery of the scheme	
<b>FINANCIAL/VALUE FOR MONEY IMPACT</b>	Yes/No	The proposed £475,000 grant should ultimately be funded by agreed Section 106 contributions for offsite affordable housing. The Council will need to fund the cash-flow cost of the grant pending receipt of the Section 106 contributions which is an unbudgeted revenue cost although it should be possible to fund this from the treasury management budget. Should the Section 106 contributions not be forthcoming, for example if the developments that they relate to not proceed and no alternative sites with appropriate Section 106 agreements come forward, an ongoing revenue cost of £30,000 pa would arise. (KC16/09/15)
<b>LEGAL ISSUES</b>	Yes	The grant of monies to Wrekin Housing Trust is permitted within the scope of the Council's general power of competence as provided by the Localism Act 2011 Section 1. The intended grant recipient is the Wrekin Housing Trust who have charitable status and whose primary objects and functions are the development and management of affordable social housing within the administrative area of Telford. State Aid rules do not apply to undertakings who fulfil a social function, and the sustainable view is that Wrekin Housing Trust is not an undertaking for state aid purposes; hence a grant of £475,000 is not deemed an illegal subsidy. The grant will be regularised by a formal grant agreement between the Council and the Wrekin Housing Trust attaching the condition that monies must only be applied to the Haybridge Hall site and for specific purposes. The Haybridge Hall site is a site known to be earmarked for social housing development and in the ownership of the Wrekin Housing Trust. (MG 20/08/15)
<b>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</b>	Yes	If an adequate funding solution is not offered, the building is at risk of full demolition following a planning appeal hearing.
<b>IMPACT ON SPECIFIC WARDS</b>	Yes	The proposed action will secure an important heritage asset in Hadley.

## **PART B) – ADDITIONAL INFORMATION**

### **4. INFORMATION**

- 4.1 The Haybridge Hall building closed some years ago and since that time has remained vacant. It is owned by the WHT. Its restoration and reuse for residential units has been the subject of on-going discussions with the owners since the refusal of planning permission for its demolition and replacement with 4 new build bungalows in January 2015.
- 4.2 WHT had presented financial information during the planning application process to evidence that the refurbishment of the existing building into seven apartments was unviable. This was supported by independent reports. Following Cabinet in June discussions with the Wrekin Housing Trust have resulted in proposals to deliver a new scheme redeveloping the existing building which would provide ten affordable apartments. Based on the additionality of six units from the Trust's original scheme that was refused by the Local Planning Authority, the Council is proposing to offer a grant of £79,167 per additional unit, amounting to a total of £475,000. The grant unlocks an additional 6 affordable homes from the original planned scheme of 4 units and therefore supports precisely the purpose of the off-site S106 funding negotiated from other developments.
- 4.3 The grant funding whilst delivering affordable homes will also contribute to the Trust's Retirement Living on this site which has communal facilities and gardens for elderly residents. The need for such accommodation is demonstrated in the Telford & Wrekin Strategic Housing Market Assessment published in February 2014. This shows that the main population growth in the Borough between 2011 and 2031 will be in the older age categories as shown below;
- Age 65 to 74 – 39%
  - Age 75 to 84 – 85%
  - Age 85 and over – 250%
- The site also lies within the Hadley and Leegomery Ward where the need for affordable homes is acute particularly family housing which could be assisted through this project by releasing under occupied existing homes.
- 4.4 The grant funding would contribute alongside a bid that WHT are submitting to HCA for funding under their Continuous Market Engagement Scheme and use of WHT's own reserves and loan contribution, to make the whole redevelopment viable. Therefore the project would be funded by a combination of HCA, WHT and the Council. The scheme delivery remains subject to planning approval.
- 4.5 Telford & Wrekin Council's financial assistance would be provided in the form of a grant which should ultimately be funded from agreed and signed Section 106 contributions for the provision of off-site affordable housing. This funding can only be used for the provision of affordable homes. The terms of this grant contribution would need to be agreed with Wrekin Housing Trust but primarily the funding will enable the delivery of affordable homes in perpetuity with the Council requiring nomination rights over the new properties to ensure they benefit local people. The Council has taken advice on the legal issues involved in the proposed intervention and has been assured that the proposed approach complies with the relevant legal and financial regulations with the monies spent on the purpose intended.

4.6 This report seeks Cabinet approval to a supplementary capital estimate and temporary borrowing (pending receipt of Section 106 contributions) to fund the grant to support the provision of affordable housing units at the Haybridge Hall site as described above, and to confirm through the exchange of documents with the site owner.

**5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION**

5.1 The proposed financial support would have a positive and lasting impact on the quality of this particular site in Hadley by providing additional affordable housing meeting proven local need and helping to conserve and reuse a building of local interest deemed important by the community.

**6. PREVIOUS MINUTES**

6.1 Cabinet 25 June 2015 (CB-10)

**7. BACKGROUND PAPERS**

7.1 None

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