

PORTFOLIO HOLDER DECISION RECORD SHEET

Name of decision maker: Margaret Griffiths

Portfolio: Housing

Date of Portfolio Holder Decision: 20/12/2012

Title of Decision: Acquisition of plans for development at Farm Place

Decision made and reasons:

To pay £237,021.81 to Aldwyck Housing Group for the acquisition of the copyright to the development plans at Farm Place. This cost includes all work to date, and the rights to take forward to current permission.

Aldwyck Housing Group have undertaken a considerable amount of work in obtaining planning permission at Farm Place. The decision to purchase this work was made to facilitate time-effective delivery of much needed affordable homes at Farm Place.

The decision to settle costs with Aldwyck was agreed at Cabinet 23rd October – CA/119/12 – *“To delegate authority to the Portfolio Holder for Housing, in Consultation with the Corporate Directors of Housing and Regeneration and Finance and Governance, to approve the payment of costs to Aldwyck Housing Group to date relating to the current Intellectual Property rights for Farm Place.”*

Reports considered: (here reference can be made to specific documents)

Letter from Aldwyck setting out work to date and price of £237,021.81

Cabinet Agenda Item 17 – Update on Council Homes New Build Programme – 23/10/2012

Officers/Councillors/Ward Councillors/Stakeholders Consulted:

Corporate Director for Housing and Regeneration
Corporate Director for Finance and Governance
Assistant Director Housing Landlord
Group Manager Procurement
Group Manager Finance
Group Manager Strategic Housing

Monitoring Officer comments:

I can see no reason why this decision cannot be made.

Deputy S151 Officer comments:

Phase 1 of the New Build Housing Programme, approved by Cabinet in October 2012, contained a £3.5m budget for the development of 26 units at Farm Place. £350k of the budget was scheduled for 2012/13, with £130k of this total earmarked for the purchase of the land from Aldwyck.

The actual purchase price is c£100k higher because Aldwyck have already received planning permission for the site, which the Council can now

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	<p>apply to its own development. In purchasing the site with planning permission already granted, the Council has avoided estimated costs of c£100k associated with making its own application. In summary, the project remains on budget.</p>
Implications:	<p>Purchasing the planning permission at Farm Place will enable the Council to expedite delivery of new Council Homes at Farm Place and meet the housing need of households on the Council's waiting list.</p>
Risk:	<p>The Council currently owns the land at Farm Place within the Housing Revenue Account, and has the budget (October 2012 Cabinet) to develop 26 new homes at Farm Place. The acquisition, completion and execution of this planning permission will increase the value of a Council Asset upon purchase, thus mitigating the risk of non-delivery.</p>
Value for Money:	<p>The Council had planned for a similar figure within its development appraisal for obtaining planning permission at Farm Place, highlighting that the purchase of the planning permission and copyright represents the same value for the money for the Council as starting a new planning application.</p>
<p>Options Considered and reasons for rejection: NOT TO PURCHASE PLANS AND START A NEW PLANNING APPLICATION Starting a new planning application would delay delivery at Farm Place, a site which has been stalled for a number of years. Given that Development Control Committee have passed a resolution to grant planning permission subject to 106, it is prudent to acquire these plans from Aldwyck to enable time-effective delivery of much needed affordable housing. Finalising this planning permission negates the risk of obtaining planning taking a long time. Purchasing these plans will enable new Council homes to be started 3-9 months sooner than starting a new planning application. The decision to purchase the intellectual property rights was taken at 23rd October Cabinet - CA/119/12, with authority to agree costs delegated to the Portfolio Holder for Housing.</p>	

Portfolio Holders Signature:
Date:
Details of any interests declared and any dispensations given by the Standards Committee:

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Date Decision Record Sheet received from portfolio holder: 20/12/2012
Date Decision Published: 20/12/2012 Decision No: PH/077/12
Date of Expiry of Call-In Period: 31/12/2012
Date any Call-In received or decision implemented:

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BACKGROUND

Dacorum Borough Council took the decision in April 2009 to work with Aldwyck Housing Group to deliver affordable homes at the site of a former sheltered housing block at Farm Place, Berkhamsted. This agreement between Dacorum Borough Council and Aldwyck included provisions for Aldwyck to demolish the existing buildings, prepare the site area, and secure the site ahead of the development of new affordable housing.

Demolition

In September 2009, a licence was granted for Aldwyck to erect herace fencing on the site to mitigate Anti-Social Behaviour. Following consultation with Strategic Planning, a development brief was created for the site in November 2009. This included a design competition, which was won and issued to Aldwyck and Avanti Architects in July 2010.

In May 2010, permission was granted to demolish the existing buildings on site. The Council agreed to contribute £50,000 towards the demolition costs, and the buildings were demolished in September 2010.

Planning

A planning pre-application was submitted in December 2010 for 26 homes (12 One Bedroom flats, 8 Two Bedroom Flats and 6 Three Bedroom Houses), which started the process of working up the planning application. The transfer of the land from Dacorum Borough Council at nil value was agreed in principle, subject to Aldwyck obtaining planning permission at the site. The Council would have retained the nomination rights to the completed dwellings as part of this transfer.

Public consultation relating to planning was undertaken on the 1st November 2011, with a formal planning application following on the 13th December 2011 (4/02208/11/MFA). At this stage, Aldwyck informed the Council that their deadline for receiving grant from the Homes and Communities Agency (HCA) for the scheme was March 31st 2012, after which point the scheme would not be deliverable. This was confirmed by Aldwyck in an email on the 21st February 2012.

The planning application was deferred on 8th March 2012, meaning that it would not be possible for Aldwyck to complete the planning application by 31st March 2012. After discussions internally and with the HCA, Aldwyck confirmed to the Council that they could still deliver the scheme, and continued to work on the planning application.

Withdrawal of Funding

The planning permission (4/02208/11/MFA) was granted on 14th June 2012. After the planning permission was granted, the Homes and Communities Agency confirmed that they were not willing to fund the scheme. Officers then met with Aldwyck to discuss how best to take forward development at Farm Place.

Council New Build

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With the delays in delivering affordable housing at Farm Place, and the huge housing need on the Council's Housing Register, it was decided at the New Build Project Group to recommend that the Council pay these costs to Aldwyck in return for copyright to the planning permission, which would allow the Council to start building new affordable homes at Farm Place 3-9 months sooner than starting with a new planning application.

The New Homes Bonus for the development of Farm Place is worth up to £250,000 to the Council. The fast delivery of the affordable homes at Farm Place will help meet the demand from the 6,100 households on the Council, and ensure receipt of valuable New Homes Bonus to the Council.

It was decided in September 2012 that the Council would build new Council Homes at Farm Place, which was formally approved by Cabinet on 23rd October 2012, including approval to establish a development budget of £14m to deliver new Council Homes. On the 24th October 2012, Aldwyck HG wrote to the Council, setting out what the costs would be for works to date, including the copyright to the designs (pursuant to planning permission) currently owned by Aldwyck HG. These costs were set at £237,021.81 (including the deduction of the £50,000 that was paid to Aldwyck by the Council for demolition).

Cabinet Decision CA/119/12

The decision to settle costs with Aldwyck was agreed at Cabinet 23rd October – CA/119/12 – *“To delegate authority to the Portfolio Holder for Housing, in Consultation with the Corporate Directors of Housing and Regeneration and Finance and Governance, to approve the payment of costs to Aldwyck Housing Group to date relating to the current Intellectual Property rights for Farm Place.”* This Portfolio Holder Decision will allow the purchase of intellectual property rights to conclude.

Following the approval of the Cabinet Recommendation pursuant to CA/119/12, it is recommended that the Council acquire the intellectual property rights to the development plans at Farm Place for £237,021.81 from Aldwyck Housing Group (full and final settlement). This includes all work to date, and the rights to take forward the current planning permission.