

HOUSING SERVICES PORTFOLIO HOLDER DECISION – 18 OCTOBER 2019

PROPOSED PURCHASE OF TESTWOOD SOCIAL CLUB SITE, 110 SALISBURY ROAD, TOTTON SO40 3LQ

1. INTRODUCTION

- 1.1 This report seeks the approval of the Housing Services Portfolio Holder to acquire the freehold interest in the site of Testwood Social Club, Salisbury Road, Totton, for future redevelopment as part of the Council's affordable housing development programme (subject to Planning). The acquisition cost is set out in confidential Appendix 1.

2. BACKGROUND

- 2.1 Shown coloured red on the attached Plan (Appendix 2), the site extends to about 0.177 hectares (0.483 acres) and is located on the corner of Salisbury Road and Testwood Lane, just over 1 mile from Totton Town Centre.
- 2.2 Following the closure of Testwood Social Club in November 2018, the freehold was offered for sale in March 2019 being marketed as 'suitable for a variety of uses subject to planning'.
- 2.3 Informed with architectural feasibility and capacity drawings, early discussions with the Planning Department have indicated that subject to a sensitive design approach (having full regard for the neighbouring bungalows), the site could accommodate a high quality 'low rise' development of apartments, subject to full planning permission.

3. FINANCIAL AND DEVELOPMENT CONSIDERATIONS

- 3.1 No significant risks or barriers to development have been identified through due diligence checks and enquiries.
- 3.2 Based upon the latest feasibility drawings development and financial appraisals have indicated that the purchase price (see confidential appendix 1) is both viable and reflects acceptable value for money. Financial conclusions and assumptions for the proposed scheme have been supported by the council's chief finance officer and accord with acceptable parameters that underpin the Housing Strategy objective to deliver at least 600 affordable homes by 2026.
- 3.3 When the site is acquired, the planning process and related consultation will commence in earnest as quickly as possible. A bid for external capital subsidy will also be prepared and submitted to Homes England in the coming months.

4. CONCLUSIONS

- 4.1 In light of concerted efforts to reach agreement with the owners of Testwood Social Club and take this opportunity forward, it is pleasing to have secured this site for 100% affordable housing. Homes that will meet a local need and make a valuable contribution towards the council's ambitious development programme.
- 4.2 Redevelopment proposals will now be advanced with further input from Planning colleagues coupled with community consultation, and the submission of a full planning application in due course.

5. FINANCIAL IMPLICATIONS

- 5.1 In December 2018 the Council's new Housing Strategy was adopted, including the aim to deliver at least 600 new affordable homes for rent and shared-ownership by 2026.

- 5.2 As stated in the Housing Strategy this ambitious delivery objective was informed and underpinned through carefully considered financial modelling – modelling that took account of existing HRA reserves, newly enhanced abilities for prudential borrowing to finance new-build affordable housing development, and the additional net income stream that new development would generate.
- 5.3 The cost of acquiring this site and its subsequent redevelopment will be met within the approved 'Strategy Delivery' capital budget and is within the parameters as set out within the approved Housing Strategy.
- 5.4 The confidential Appendix 1 is not for publication by virtue of paragraph 3 (information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part 1 of Schedule 12A of the Local Government Act 1972, and that the public interest in maintaining the exemption outweighs the public interest in disclosing it.

6. CRIME & DISORDER IMPLICATIONS

- 6.1 None.

7. ENVIRONMENTAL IMPLICATIONS

- 7.1 The nature and setting of the Testwood Club site has been recognised and will be taken into consideration throughout the design and subsequent development processes, as will the interests and concerns of neighbouring residents.

8. EQUALITY & DIVERSITY IMPLICATIONS

- 8.1 None.

9. RECOMMENDATION

- 9.1 That the Council acquires the freehold interest in the Testwood Club site, Salisbury Road, Totton.

10. PORTFOLIO HOLDER ENDORSEMENT

I have agreed to the recommendations in this report and the Confidential Appendix 1.

CLLR JILL CLEARY
Sign:

Date: 18 October 2019

For further information contact:

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Background Papers:

Housing Strategy (December 2018)

Date on which notice given of this Decision - 18 October 2019
Last date for call-in - 25 October 2019