



## Belfast City Council

<b>Report to:</b>	Strategic Policy & Resources Committee
<b>Subject:</b>	Disposal of land at Glen Road to Oaklee Homes Group
<b>Date:</b>	14 December 2012
<b>Reporting Officer:</b>	Gerry Millar, Director of Property & Projects, Ext. 6217
<b>Contact Officer:</b>	Cathy Reynolds, Estates Manager, Ext. 3493

<b>1</b>	<b>Relevant Background Information</b>
1.1	At its meeting of 21 <sup>st</sup> September 2012 the Strategic Policy & Resources Committee approved the proposed disposal of former traveller lands at Glen Road (adjoining Glen Road Heights) to Oaklee/Fold housing associations for development of social housing at a premium of £1,575,000 and subject to terms being agreed with Council's Legal Services and the Estates Manager. This transfer was to be progressed by Oaklee as an Advance Land Purchase under the DSD's Social Housing Development Programme.
1.2	Following subsequent discussions with Oaklee (the lead housing association) they have advised that the proposed acquisition of the Glen Road land had been conditioned by the Oaklee Homes Group Board who indicated that they now preferred to have full planning permission for their proposed social housing scheme as a condition of completing an agreement to purchase. Given this condition Oaklee would seek NIHE Full Project Approval for this scheme rather than progress as an Advance Land Purchase as previously indicated. This in effect means that Oaklee will now be required to have their scheme fully approved by NIHE by achieving key milestone events prior to concluding the land transfer from Council.
1.3	Whilst the provision of social housing in areas of high need is generally politically supportive, the negotiation for disposal of these sites can on the whole be protracted and difficult particularly given the current property market where there is limited demand which housing associations often seek to exploit in terms of their proposals for acquisition through their conditions of sale, representing site development costs as abnormal etc.

1.4	Oaklee have indicated that a conditional contract to purchase can be entered into immediately which will complete at the previously agreed purchase premium of £1,575,000 which will become payable to Council upon the grant of satisfactory planning consent.
-----	---

<b>2</b>	<b>Key Issues</b>
2.1	Given the nature of this social housing scheme and dBMAP Key Site Requirements for this land Oaklee representatives have indicated that their Board would seek to progress the required land transfer from Council following receipt of full planning permission and full NIHE Project Approval rather than completing the purchase by way of an Advance Land Purchase.
2.2	Oaklee have indicated that they would need to allow up to 18 months to secure full planning permission for their development. Within this 18 month period allowed to secure satisfactory planning Oaklee should have sufficient time to complete the milestone requirements for full NIHE Project Approval of their scheme proposals.
2.3	Oaklee representatives have advised that their Board have approved a proposed social housing scheme and a full planning application for 92 social residential units has been prepared by their design team which is ready for submission to Planning Service ( <b>Appendix 1</b> – Oaklee’s proposal for development of the site) This planning application will be made as soon as the contract to purchase has been agreed and community consultations commenced.
2.4	Oaklee have indicated that they will execute a contract to purchase the site within 2 months of Council’s decision to proceed. The purchase will not complete until they have secured satisfactory planning permission for their social housing development. Receipt of a satisfactory planning consent will trigger payment of the agreed purchase premium of £1,575,000.
2.5	Should Council accept a conditional contract to purchase Oaklee will be in a position to progress planning and commence community consultations within the shortest possible timeframe.

<b>3</b>	<b>Resource Implications</b>
3.1	<p><u>Financial</u></p> <p>The sale of these lands will result in a capital return to the Council of £1,575, 000 which could be directed to the Councils Investment Programme or other priorities.</p>
3.2	<p><u>Human Resources</u></p> <p>Staff Resource in Estates &amp; Legal Services to progress.</p>

3.3	<p><b><u>Asset and Other Implications</u></b></p> <p>The disposal of this vacant site and development as a social housing scheme should lead to improved social, economic and regeneration benefits for the area, as well as providing a capital return for the Council.</p> <p>There have been very protracted negotiations at this particular site to arrive at the current valuation and proposed conditions of sale. The value of the site has been agreed by Land &amp; Property Services and represents full market value; equally officers have ensured that the terms of the disposal are protecting the Council's interest. However, Members do need to be aware of the difficult and protracted negotiations that are required to bring these disposals to a conclusion. There is a further Council site where there continues to be very protracted negotiations between the Council and a different housing association and a further report is to be brought back to the Committee in the near future on this.</p>
-----	---

<b>4</b>	<b>Equality and Good Relations Implications</b>
4.1	There are no equality implications to this proposal

<b>5</b>	<b>Recommendations</b>
5.1	It is recommended that the Committee approves the disposal of these lands to Oaklee Homes Group for £1,575,000 subject to detailed terms and a conditional contract to purchase being agreed with the Estates Management Unit and Legal Services.

<b>6</b>	<b>Decision Tracking</b>
Director of Property & Projects to ensure that this disposal is completed upon granting of satisfactory planning consent for Oaklee's social housing scheme.	

<b>7</b>	<b>Key to Abbreviations</b>
DSD – Department for Social Development NIHE – Northern Ireland Housing Executive dBMAP – draft Belfast Metropolitan Area Plan	

<b>8</b>	<b>Documents Attached</b>
Appendix 1 – Oaklee Home Group's proposal for development of the site	