

# SOUTH LAKELAND DISTRICT COUNCIL

## Delegated Executive Decisions

On **Thursday, 10 September 2020**, on the rising of the meeting of the Management Team, the following report(s) will be considered under powers delegated to Portfolio Holders, the Chief Executive and Directors for the discharge of the Council's Cabinet functions carried out within their area of responsibility.

Copies of these reports have been sent to the relevant Portfolio Holders (and all Members of the Cabinet for information), the Chief Executive, all Directors and the Monitoring Officer.

Cabinet Members, or any of the other consultees, may object to the report within five working days - **by 5.00 p.m. on, Wednesday, 9 September 2020** - by notifying the Officer named on the report of the objection and requesting that the matter be referred to the next meeting of the Cabinet for determination.

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<b>3 SALE OF COUNCIL-OWNED LAND TO EAST OF MANORSIDE, FLOOKBURGH - APPENDIX 1</b>  - <i>Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information)</i>  <i>Please also see Part I report above.</i>	<b>15 - 22</b>

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## South Lakeland District Council Delegated Executive Decision

Date of Proposed Decision: 10 September 2020

### Rapid Rehousing Pathway

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<b>Portfolio:</b>	Housing and Innovation - Cllr Jonathan Brook
<b>Decision Maker:</b>	Simon Rowley – Director of Customer and Commercial Services
<b>Report Author:</b>	Vicky McDonald – Operational Lead Customer Services, Julie Jackson Principal Specialist (People)
<b>Wards:</b>	All wards
<b>Forward Plan:</b>	Key – for Forward Plan to be published 11 August 2020

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#### 1.0 Expected Outcome

This report is to note the receipt of grant funding for year 1 of the Rapid Rehousing Pathway Local Lettings Scheme (which has already been received and committed) and to seek approval for funding of year 2 of the same Scheme that is grant funded through MHCLG (following a successful bid by Carlisle City Council as accountable body on behalf of a county-wide collaboration of districts) until March 2021. This work has opened up access to the private rented market for those people within our communities facing homelessness. The monies for year 1 have already been paid by Carlisle City Council to SLDC and committed for the Scheme and the monies for the second round of the scheme have been released by MHCLG and sit with Carlisle City Council awaiting signature of the appropriate agreement between the SLDC and Carlisle. This report seeks authority for the terms and conditions of the appropriate agreements to be completed and signed on behalf of SLDC. As a result of the successful second round of funding, the total overall receipt for the Scheme (across years one and two) is £106,994. It is expected that receipt of these further monies will assist in homeless households accessing accommodation in the private rented sector.

#### 2.0 Proposed Decision

##### 2.1 It is proposed:-

- (1) To note receipt by the Council of grant funding for year 1 and approve year 2 funding in respect of the Rapid Rehousing Pathway project, following successful bids by Carlisle City Council to MHCLG on behalf of the Districts; ;
- (2) that the Director of Customer and Commercial Services in conjunction with the Lead Specialist Legal Governance and Democracy enter into the appropriate agreements on behalf of the Council to receive and administer the grant funding for years one and two of the Rapid Rehousing Pathway project;

#### 3.0 Background and Proposals

- 3.1 MHCLG opened up a round of funding named the Rapid Rehousing Pathway which was for all councils across England to apply to in order to reduce rough sleeping and homelessness across their areas. Carlisle City Council submitted a bid on behalf of the Cumbria Districts (Allerdale Borough Council, Carlisle City Council, Copeland Borough Council, Eden District Council and SLDC), which was successful and MHCLG agreed to award funds to Carlisle as the accountable body. SLDC's allocated funding (which was paid and committed) was for £38,220 to work with Eden council to have a local lettings scheme which would increase access into the private rented sector for those individuals either rough sleeping or at risk of rough sleeping.
- 3.2 Later, a further bid for funding was submitted by Carlisle on behalf of some of the Cumbria Districts for additional funding for the project. That further bid was successful, in which SLDC was awarded £68,774. The present position is that the first year of the Rapid Rehousing Pathway project has already been delivered and we are part way through in the delivery of year two.
- 3.3 The scheme has worked extremely well with targets being met within the initial 6 months. South Lakeland District Council's Homelessness and Rough Sleeping Strategy 2019 to 2024 sets out a key action to 'develop the work of Government funded initiatives that support rough sleepers across Cumbria. This work is consistent with meeting the Strategy's priorities which are:
- Homelessness prevention;
  - Increasing the supply of settled accommodation;
  - Ensuring the right support is available to those that need it;
  - Tackling complex needs.
- 3.4 This funding will continue to support the Council in its role in tackling homelessness and rough sleeping.

#### **4.0 Consultation**

The bid was proposed on the homelessness data for South Lakeland District Council and an identified gap in the accessibility of private rented accommodation in consultation with the other District Councils in Cumbria.

#### **5.0 Alternative Options**

- 5.1. The Council could decide not to accept the monies available for year 2 but this is not recommended as it would not support the work of the Private Rented Accommodation Officer, Support Officer and Rough Sleeping Co-Ordinator currently in post to reduce homelessness and rough sleeping in South Lakeland. At the time there were no other options available to the council.

#### **6.0 Links to Council Priorities**

Within the Homeless and Rough Sleeping Strategy for South Lakeland District council there are 4 key priorities which are:

- Homeless prevention
- Increase the supply of settled accommodation
- Ensuring the right support is available to those that need it
- Tackling complex needs

The proposal for year 2 will help in the delivery of these priorities. The proposal will also help in the delivery of the Council Plan's aim to provide 'homes to meet need'. The Homeless and Rough Sleeping Strategy can be found at the link below.

## **7.0 Implications**

### **Financial, Resources and Procurement**

- 7.1 SLDC, as part of a county wide Rapid Rehousing Pathway funding bid, received a total of £68,744 to be spent in 2020/2021 from MHCLG, made up of £62,744 for 1.5 FTE supported lettings officers, and £6,000 personalised budget/crisis fund (to support 20 people at £300 each). This funding has been allocated to employ a part time position hosted by Impact Housing Association, a temporary Accommodation Support Officer based at Town View Fields. In addition to this, the homelessness budget has been increased by a further £150,000, to support additional COVID-19 related expenditure. This was approved by Cabinet on 20/05/2020.

### **Human Resources**

- 7.2 SLDC have currently employed a shared full time post and 0.8 FTE support worker, hosted by Impact Housing Association. A recruitment process is underway for a further full-time support worker.

### **Legal**

- 7.3 When the receipt of project funding by SLDC for year 1 was agreed and implemented (it has now been spent), this matter was not considered to be a Key Decision because of the level of funding involved for year 1. Since then (and before the funding agreement with Carlisle for the project has been finalised) the bid for year 2 funding has been successful. Taken separately, the year 2 funding is also beneath the Key Decision threshold. For consistency it is proposed that one grant agreement may be entered into to address both funding awards across both years of the project.
- 7.4 Legal Services will ensure that the appropriate legal agreements are entered into and will also advise on any further agreements to be put in place in relation to the Repaid Rehousing Project.

### **Health, Social, Economic and Environmental**

- 7.4 Have you completed a Health, Social, Economic and Environmental Impact Assessment? No
- 7.5 If you have not completed an Impact Assessment, please explain your reasons: We are already in the second year of the pilot
- 7.6 Summary of health, social, economic and environmental impacts: It is expected that the proposal will have a positive effect on health impacts through the provision of support to homeless individuals.

### **Equality and Diversity**

- 7.7 Have you completed an Equality Impact Analysis? No
- 7.8 If you have not completed an Impact Assessment, please explain your reasons: The pilot is already underway.
- 7.9 Summary of equality and diversity impacts: It is expected that the proposal will have a positive effect on equality and diversity through the support of individuals with protected characteristics such as disability.

## Risk

Risk	Consequence	Controls required
Posts arising from funding received are not turned around quickly.	Funding could be lost in 2020 to 2021 and individuals would not receive support in their situation.	Engagement underway with Human Resources and Legal Services
Accommodation is not found.	Homeless households may not have move on accommodation or temporary accommodation.	Early engagement with Registered Providers, private landlords and empty home owners.
Lack of engagement from other agencies such as Health and Social Care.	Essential wraparound support is not available for homeless households along with the support provided through the RRP.	Continue meeting with the Health and Homeless multi-agency group.
Covid-19 issues result in delays to the appointment process and scheme.	Funding could be lost in 2020 and 2021 and individuals would not receive the support that they need.	Proceed with the recruitment process and continue engagement with Human Resources and Legal Services.

## Contact Officers

Carol Halton, Housing Options specialist, 01539 793563, [carol.halton@southlakeland.gov.uk](mailto:carol.halton@southlakeland.gov.uk)

Vicky McDonald, Operational lead case management, 01539 793329, [Vicky.McDonald@southlakeland.gov.uk](mailto:Vicky.McDonald@southlakeland.gov.uk)

Julie Jackson, Principal Specialist, 01539 793371, [j.jackson@southlakeland.gov.uk](mailto:j.jackson@southlakeland.gov.uk)

## Tracking Information

Signed off by	Date sent	Date Signed off
Legal Services	5.8.20	11/08/20
Section 151 Officer	5.8.20	25/08/20
Monitoring Officer	5.8.20	11/08/20
CMT	13.8.20	13.8.20

Circulated to	Date sent
Lead Specialist	N/A
Human Resources Lead Specialist	5.8.20
Communications Team	5.8.20
Leader	N/A
Committee Chairman	N/A
Portfolio Holder	5.8.20
Ward Councillor(s)	N/A
Committee	N/A
Executive (Cabinet)	N/A
Council	N/A

**Note – Report authors must consult the relevant Portfolio Holder, members of the Corporate Management Team, the Monitoring Officer, and any other interested parties before a decision can be taken. If any objections are received, they must be reported at the meeting before the decision is taken.**

Signed by:-	Title:-

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## South Lakeland District Council Delegated Executive Decision

Date of Proposed Decision: 10 September 2020

### Sale of Council-owned land to East of Manorside, Flookburgh

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<b>Portfolio:</b>	Cllr Jonathan Brook - Housing and Innovation Portfolio Holder
<b>Decision Maker:</b>	Simon Rowley - Director of Customer and Commercial Services
<b>Report Author:</b>	Sion Thomas – Operational Lead Delivery and Commercial Service
<b>Ward:</b>	Cartmel
<b>Forward Plan:</b>	Not applicable

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#### 1.0 Expected Outcome

- 1.1 Agreement of the principle of and detailed terms for the sale of Council owned land to the east of Manorside, Flookburgh in order to facilitate the development of an adjacent allocated residential development site.

#### 2.0 Proposed Decision

- 2.1 **It is recommended that the Director of Customer and Commercial Services:-**

**(1) Authorises the sale of Council owned land to the east of Manorside, Flookburgh, for the sum as per the valuation by Lambert Smith Hampton and as noted in the Part II Appendix 1 to this report, to facilitate residential development of an adjacent area of land which has been allocated for housing in the South Lakeland Local Plan Land Allocations DPD.**

**(2) Delegates the negotiation and documentation of the terms of the sale to the Operational Lead for Delivery and Commercial Services in conjunction with the Lead Specialist for Legal, Governance and Democracy.**

#### 3.0 Background and Proposals

- 3.1 Following the housing stock transfer of 2012, the Council retains freehold ownership of a small area of housing amenity land at Manorside, Flookburgh.

- 3.2 Land to the immediate east of the Council's land has been allocated for residential development within the Council's 2013 Land Allocations Development Plan Document ('LADPD'). This allocation has been assessed as capable of accommodating 'around 30 dwellings' and extends to 1.11 hectares (2.74 acres) (Site allocation reference LA1.3).

- 3.3 The key to the delivery of this planning allocation will be the securing of appropriate vehicular access. The allocated site can potentially be accessed from Manorside or directly from Market Street (B5277).

- 3.4 A prospective developer is in the process of finalising an 'option to purchase' with the owner of the allocated housing site. The developer has also approached the Council with a request to purchase the subject land under the terms of an 'option to purchase' at Manorside in order to facilitate vehicular access to the development site.
- 3.5 The Council's property agent (Lambert Smith Hampton – 'LSH') has been tasked with leading negotiations with the developer. LSH have attempted to reach agreement in accordance with the principle of 'ransom value', in the context of the extent of alternative access options to the development site. The value of the land is as noted within the Part II Appendix 1 to this report. *Appendix 1 is subject to the provisions of Section 100B(2) of the Local Government Act 1972, and excluded from inspection by members of the public as the Appendix contains information as described in Schedule 12A of the Act, as amended by the Local Government (Access to Information) (Variation) Order 2006, as follows – Information relating to the financial or business affairs of any particular person (including the authority holding that information). (Paragraph 3)*
- 3.6 If access to the development site could only have been achieved over the Council's land, negotiations for the sale / right of access over the Council's land would have started at 50% of the increase in value of the development site (i.e. half of the difference between residential development land value and existing use value). This arises from the basis that value could not have been unlocked without the agreement of both parties (allocated site landowner and the Council as 'ransom' landowner), so any benefit should be shared equally. This approach accords with relevant case law and the 'best consideration' requirements of s123 of the Local Government Act 1972.
- 3.7 Pre-application advice from the Council's Development Management Team confirmed that the allocated site could 'in theory' be accessed directly from Market Street (B5277), or from Manorside, subject to county highways approval.
- 3.8 This advice led to the negotiation approach moving to assessment of 50% of the estimated construction cost saving of utilising the proposed access route from Manorside, versus the alternative option of access from Market Street.
- 3.9 Following a robust evaluation of the respective costs of each option by LSH it was provisionally agreed that the estimated cost differential between the two access options was that as noted within Part II Appendix 1 with Manorside being the cheaper option of the two.
- 3.10 The developer has subsequently agreed to the valuation with the Council's land therefore having a capital value of 50% of this figure LSH, as the Council's RICS Registered Valuer, have confirmed that in their view this capital value represents 'best consideration' in accordance with s123 of the Local Government Act 1972.
- 3.11 The developer is looking to enter into an 'option agreement' to purchase this land from the Council, which will run for a maximum period of three years. In theory this will provide the developer with a sufficient period of time to complete due diligence on the development site and secure planning consent. This is a mechanism widely used by developers in such situations to secure an exclusive right to purchase land whilst minimising risk and removing the need for significant upfront capital outlay.

- 3.12 Provisional heads of terms that have been agreed between LSH (on behalf of the Council). Agreed terms include the payment by the developer of an upfront 'option agreement fee' of £1,000.
- 3.13 Established local authority policy on the sale of such small ad-hoc areas of land is generally that:
- each case should be treated on its own merits; and
  - a sale would usually be approved where:
    - the land is not required for service provision
    - the land has no conceivable development potential (be it either existing or future) either in isolation or in conjunction with adjoining Council retained land
    - disposal will not result in an adverse effect on retained Council property
- 3.14 In recommending the decision on whether to dispose of this land none of the above three reasons to resist the decision to dispose are present.
- 3.15 Part of the subject area of land, whilst currently in housing amenity use, is temporarily let to a local resident on a garden tenancy basis. This arrangement can be terminated upon 3 months' notice, in the event that the proposed sale of the land proceeds.

#### **4.0 Consultation**

- 4.1 The Council's Solicitor – Specialist (Legal, Governance and Democratic Services) has been involved in discussions with LSH during the negotiation process and is satisfied that a time-limited 'option agreement' with subsequent potential purchase represents an appropriate conveyancing solution in this instance.
- 4.2 As part of the consultation, the portfolio holder for finance and resources, and portfolio holder for Housing and Innovation has been consulted.

#### **5.0 Alternative Options**

- 5.1 To sell the land upfront without an 'option agreement'. The adjoining allocated development site does not yet have planning consent and the developer has not yet completed due diligence site enquiries and investigations. Consequently the upfront sale of the subject land by the Council would increase risk to an unacceptable level from the perspective of the developer. The developer would also be reluctant to expend significant upfront capital outlay.
- 5.2 To offer the land for sale on the 'open market.' This option would not be appropriate in this instance as the proposed developer purchaser has control of the adjoining allocated development site. The subject land would have little value in existing use without the potential to serve as a vehicular access for the adjoining development site.

#### **6.0 Links to Council Priorities**

- 6.1 Council Plan priorities:
- Housing and Communities:
    - Creating balanced communities by:
      - delivering affordable homes to meet need (through the facilitation of the adjoining allocated development site) with:
        - new affordable homes to rent (Adopted local policy will require ten affordable homes on the adjoining site, including five affordable rent units)
        - a range of housing to attract and retain young people

- 6.2 Council Performance Indicators:
- The number of completed permanent dwellings each quarter within South Lakeland
  - The number of new affordable homes for rent provided this quarter

## 7.0 Implications

### Financial, Resources and Procurement

- 7.1 The Council will receive an upfront 'option agreement fee' of £1,000. There will then be a deferred capital receipt as noted within Part II Appendix 1 less the £1,000 already paid for the option agreement in the event that the option is 'exercised' within the proposed three year 'option period.'
- 7.2 The purchase price has been negotiated on a Market Value basis by LSH.

### Human Resources

- 7.3 Not applicable.

### Legal

- 7.4 Sale by Private Treaty, subject to an 'option agreement' with a three year exclusivity period for the proposed purchaser.
- 7.5 Purchase price negotiated on Market Value basis in order to demonstrate best consideration (under S.123 of the Local Government Act 1972, as amended).

### Health, Social, Economic and Environmental

- 7.6 Have you completed a Health, Social, Economic and Environmental Impact Assessment? No
- 7.7 If you have not completed an Impact Assessment, please explain your reasons:
- The impact of the effect on the environment will be assessed in detail as part of the Development Control process relating to a detailed planning application which will be required in order to develop the adjoining allocated housing site.
  - It is not considered necessary to give further consideration to this aspect as part of the subject decision, which is specifically concerned with the principle and terms of disposing of land.

### Equality and Diversity

- 7.8 Have you completed an Equality Impact Analysis? No
- 7.9 If you have not completed an Impact Assessment, please explain your reasons: It is not necessary as no change to the use of the land is proposed.
- 7.10 Summary of equality and diversity impacts: Not applicable.

### Risk

Risk	Consequence	Controls required
The proposed purchaser could choose not to exercise the 'option agreement' and fail to complete the purchase of the subject land.	The Council would receive an initial 'option fee' of £1,000. The 'option agreement' would lapse after three years and the purchase 'balance' would not be received by the Council. The land would	Under this scenario ownership of the land would ultimately be retained by the Council. It is probable that the land will subsequently be sold to the party who eventually

Risk	Consequence	Controls required
	effectively be tied up for the duration of the option agreement, which means the Council could not deal with the land or sell the land to another party during the three year option period.	develops the adjoining development site.  The proposed purchaser will fund all legal fees incurred by the Council, whether or not the land is subsequently sold.

### Contact Officers

Sion Thomas – Operational Lead Delivery and Commercial Services, Direct Tel: (01539) 793192, Email: [sion.thomas@southlakeland.gov.uk](mailto:sion.thomas@southlakeland.gov.uk)

Michael Wallwork – Senior Estates Surveyor / Valuer / Planning Viability Consultant, Lambert Smith Hampton, Email: [mmwallwork@lsh.co.uk](mailto:mmwallwork@lsh.co.uk)

### Background Documents Available

None

### Appendices Attached to Report

Appendix Number	Detail
1	Part II – Valuation Report

### Tracking Information

Signed off by	Date sent
Legal Services	05.06.20
Section 151 Officer	05.06.20
Monitoring Officer	05.06.20
SMT	TBC

Circulated to	Date sent
Director	05.06.20
Human Resources Manager	N/A
Communications Team	N/A
Leader	N/A
Committee Chairman	N/A
Portfolio Holder	05.06.20
Ward Councillor(s)	N/A
Committee	N/A
Executive (Cabinet)	N/A
Council	N/A

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Signed by:-	Title:-

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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