

Item No.	Classification: Open	Date: 29/07/03	MEETING NAME Executive
Report title:		Disposal – 216 – 224 Underhill Road, SE22	
Ward(s) or groups affected:		Peckham Rye and East Dulwich Wards	
From:		Strategic Director Regeneration	

RECOMMENDATION(S)

1. That the Council, subject to consent from the ODPM dispose of 216 - 224 Underhill, SE22.
2. That the Executive authorise the Development & Regeneration Manager to agree the terms of the transaction.
3. That the executive agree to the recycling of the net receipts from the disposal into the East Dulwich Estate Regeneration or similar housing regeneration scheme.

BACKGROUND INFORMATION

4. The subject property is a 'T' shaped development site formally supporting seven pre-fabricated dwellings (The site is edged black on the plan attached at Appendix B). Presently only one pre-fabricated structure remains and is occupied by a Council tenant. (The occupied premises is edged black on the plan attached at Appendix C).
5. 220 Underhill Road is a single storey, post war dwelling and is surrounded by a small, fenced domestic garden. To the east and south of this dwelling there are areas of concrete hardstanding which is what remains of previous dwellings. The remainder of the subject property is unused land with overgrown vegetation
6. The Director of Housing has declared the land surplus to operational requirements.

KEY ISSUES FOR CONSIDERATION

7. Currently the property is in poor condition and is under-utilised. The proposed deal will enable the site to be developed for residential use (subject to planning).
8. In order to comply with Capital Finance Regulations, whereby the Council is permitted to recycle 100% of the capital receipt, it is necessary to specify the scheme for which the money is to be used. In this instance, the receipt will be recycled into the East Dulwich Estate Regeneration or similar housing regeneration scheme.

9. Under normal circumstances, a surplus property would be marketed and sold to the highest bidder. In this case however, the site is seen as a useful adjunct to the adjoining site previously sold by the Council and developed by Hexagon Housing Association. The site was considered more suitable for a social housing development and the synergies presented allowed Hexagon to offer a price considered to represent best consideration. In addition of course the Council will take advantage of nomination rights directly benefiting applicants on the waiting list.
10. The proposed development involves the relocation of the existing council tenant into new premises that will form part of the adjacent new development. The latter will remain in her dwelling until her new accommodation is ready. Her current dwelling will not be transferred to the RSL.
11. It is considered that the figure provisionally agreed represents best consideration that can reasonably be obtained and therefore complies with S.32 of the Housing Act 1985. It is also considered that the proposed transaction represents good value to the Council and acceptance is recommended.
12. The disposal of property held for housing purposes is permitted by virtue of Section 32 of the Housing Act 1985, subject to the consent of the First Secretary of State of the Office of the Deputy Prime Minister. An application for this consent has been made for which we expect approval to be forthcoming.

Policy Implications

13. The disposal of this site will generate substantial capital receipts which will be recycled to provide funding for the East Dulwich Estate. This helps the Council meet its commitment to regeneration and sustainability in housing as demonstrated through the 1998 – 2005 Southwark Housing Strategy.

Agenda 21

14. The approval to dispose of the property will have no agenda 21 implications. However, the eventual development of the new housing will produce buildings using the latest sustainable building techniques and urban designs.

Consultation

15. The proposed residential development will require planning consent, which will include the usual consultation requirements. It is not considered that any further consultation is necessary.

Resource implications

16. A capital receipt will be generated from the sale.
17. 100% of the capital receipt from the disposal will be recycled into the East Dulwich Estate.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Concurrent Report of the Borough Solicitor & Secretary to the Council – Legal Issues

18. The Executive is recommended to agree to the disposal of 216 - 224 Underhill Road SE22 to Hexagon Housing Association on the terms and conditions outlined in the report. As indicated in paragraph 12 the land is held for housing purposes and may be disposed of under section 32 of the Housing Act 1985, subject to the consent of the Secretary of State. As indicated in the report the Secretary of State's consent has been sought for the disposal and it is expected that this will be obtained. The sale documentation will contain appropriate conditions to ensure compliance with the terms of the consent.

Concurrent Report of the Director of Housing

19. It is proposed that Hexagon Housing Association develop a mixed tenure scheme. The affordable housing would comprise flats and houses for rental and shared ownership including five four bedroom houses for rent to meet the needs of larger households on the housing register. The development would also include flats for outright sale.

Background Papers	Held At	Contact
Property Division File	Southwark Property Chiltern House Portland Street London SE17 2ES	Michael Hanily 020 7525 5648

APPENDIX A

Audit Trail

Lead Officer	Paul Evans	
Report Author	Michael Hanily	
Version	Final Draft	
Dated	17/3/03	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Borough Solicitor & Secretary	Yes	Yes
Chief Finance Officer	Yes	Yes
Executive Member	Yes	No
Date final report sent to Constitutional Support Services	18/07/03	

APPENDIX B

LOCATION PLAN

APPENDIX C

LOCATION PLAN