
HOUSING DEVELOPMENT NEW BUILD SCHEMES – AUTHORITY TO PROCEED.

Appendices 1 and 2 of the Report are not for publication as they contain exempt information of the description in paragraph 14 of part 4 and paragraph 21 of part 5 schedule 12a of the Local Government Act 1972.

Purpose of Report

1. To enable Members pre-decision scrutiny of the Report to Cabinet which proposes the Council enter into a collaboration agreement with Hafod Housing Association at the former Lansdowne Hospital site, and an acquisition contract with Linc Housing Association for the freehold interest of the former Michaelston Pub site.
2. The draft Cabinet Report, attached at **Appendix A** (*and its subsequent Appendices*) are due to be considered by Cabinet at its meeting on 15 July 2021.
3. Members should note that Appendices of the Cabinet report are exempt from publication. Members are requested to keep this information confidential, in line with their responsibilities as set out in the Members Code of Conduct and the Cardiff Undertaking for Councillors.

Purpose of the Report

4. Members are to note that there are two key decisions contained within the draft Report to Cabinet which are:

- To approve and enter into a Collaboration Agreement with Hafod Housing Association to jointly deliver 106 new affordable homes (38 council) at the former Lansdowne Hospital site and adjoining Housing Revenue Account (HRA) land.
- To approve the Council entering into an acquisition contract with Linc Housing Association for the freehold interest of the former Michaelston Pub site, Drope Road to allow the site to be included with the wider Michaelston College development scheme.

Background

5. Currently, there are just under 8,000 people on the housing waiting list. A Local Housing Market Assessment indicated that 2,024 new affordable homes are required each year to meet the demand. However, on average over the last 5 years the social housing sector has only delivered around 250 new homes each year.
6. The Administration's 'Capital Ambition: Our Continuing Commitments for Cardiff' policy statement contains a commitment to deliver at least 2,000 new Council homes, of which 1,000 will be completed by 2022, and to work with developers and partners to deliver 6,500 affordable homes across the city by 2026.
7. In order to achieve this, the Council has established a number of development delivery routes as follows:
 - Cardiff Living Development (300 target)
 - Additional New Build Programme (outside of Cardiff Living) (400 target)
 - Open Market Buy-Backs (100 target)
 - Developer Package Deals (100 target)
 - Convert buildings to Council Homes (50 target)
 - Meanwhile Use of Land (50 target)

(N.B The targets listed above relate to the 1,000 properties aimed to be complete by December 2022).

8. Members are to note that the Welsh Government, liaise with local authorities in order to understand barriers they may face in their build programme; offering authorities relevant guidance and support.
9. One of the recommendations made by Welsh Government has been to encourage local authorities to collaborate with Housing Associations (*where feasible*) in order to share resources and maximise the delivery of affordable homes. This includes given consideration to jointly develop, where HRA land and adjoining council owned land can be brought together into one scheme.

Lansdowne Hospital Site

10. Hafod Housing completed the acquisition of the former Lansdowne Hospital site in 2019. In 2020, the Council's Housing Revenue Account appropriated an area of land between Ysgol Treganna and the former Lansdowne hospital site with consideration being given to develop the two sites in collaboration to jointly deliver an affordable housing scheme, sharing resources and delivering new affordable homes in a more cost-effective way.
11. The development would provide full social housing, totalling 106 new homes. The proposed split between the Council homes and the homes to be built for Hafod HA at the site is detailed as a 40/60% split. Members are to note the proposed mix for of property types delivered by the Council at the site would include:
 - 12 x 3 bed townhouses
 - 3 x 4 bed townhouses
 - 23 x 1 & 2 bed flats
12. Point 12-20 of the draft Cabinet Report sets out the proposed collaboration agreement between the Council and Hafod which would be reviewed and agreed by the Council's legal team.

Michaelston College & Pub Site

13. Point 8-9 of the draft Cabinet Report details that the Council has achieved an in-principal agreement with Linc Housing Association to acquire the former Michaelston College site into the Housing Revenue Account for the purpose of delivering a Council led development.
14. Members are to note that as part of this agreement the package deal previously being considered by the Council for the delivery of 28 flats on the former Morrisons Local site in Pentwyn with Willis Construction, will be instead offered to Linc Housing Association.
15. As part of a wider masterplan for the Michaelston College site, approval is also being sought to acquire the freehold interest of the former Michaelston Pub site from its current owners Linc Housing Association. Members are to note that the valuation details are contained in confidential **Appendix 1**.
16. The Michaelston College Pub site is located adjacent to the former Michaelston College site which the Council is already proposing to redevelop through The Cardiff Living Programme.
17. Point 14 of the Cabinet Report states that prior to Cabinet approving this acquisition, the Council would agree Heads of Terms with Linc Housing Association, obtain a valuation of the site and undertake the necessary due diligence associated with a land purchase.

Scope of Scrutiny

18. During this scrutiny, Members have the opportunity to review the draft Cabinet Report and explore:
 - I. The key factors shaping the proposed acquisition and collaboration
 - II. Financial implications
 - III. Risks to the Council
 - IV. Next Steps and timelines

Following their consideration, Members will then be able to decide what comments, observations or recommendations they wish to pass on to the Cabinet for their consideration.

Structure of the meeting

19. This item will be considered in two parts: an open session, where Members will receive a verbal overview of the contents of the Report published in the public domain by officers. This will be followed by an opportunity for Committee Members questions. Should Members wish to ask any questions on the confidential Appendices the Chair will move to close the meeting where members of the public will be excluded.
20. Councillor Lynda Thorne (Cabinet Member – Housing & Communities), Sarah McGill (Corporate Director – People & Communities) and Dave Jaques (Operational Manager – Development & Regeneration) will be available to answer Members questions.
21. Following this item, Members will then be able to decide what comments, observations or recommendations they wish to pass on to the Cabinet for their consideration prior to making their decisions.

Structure of the Papers

22. To facilitate the scrutiny, the following appendices are attached to this report:

- **Appendix A** – Draft Cabinet report
- **Appendix 3** – Proposed Lansdowne Site Layout
- **Appendix 4** – Equality Impact Assessment Form

The following confidential Appendices are attached to Appendix A:

- **Appendix 1** – Valuation for Michaelston Inn
- **Appendix 2** – Draft Cost Plan for Lansdowne Site

Legal Implications

The Scrutiny Committee is empowered to enquire, consider, review and Recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATIONS

The Committee is recommended to:

- i. Consider the information provided in this report, its Appendices and information received at the meeting;
- ii. Decide whether it wishes to relay any comments or observations to the Cabinet.

DAVINA FIORE

Director of Governance and Legal Services

6 July 2021