

Subject:	Site Purchase - Valley Social Centre		
Date of Meeting:	10 October 2019		
Report of:	Executive Director Neighbourhoods Communities & Housing		
Contact Officer:	Name:	Jo Thompson	Tel: 01273 291466
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Ward(s) affected:	East Brighton;		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 To seek authority to purchase the Valley Social Centre site, Whitehawk Way, Whitehawk. The council already owns the car park, which is located on Housing Revenue Account (HRA) land. Purchasing the building will expand the land available to enable the potential for construction of approximately 28 new council homes. The acquisition of the site would support the council's key priority of providing additional council homes in the city, as agreed by September 2019 Housing Committee in its Priorities and Work Plan for 2019 to 2023. However, we will consult the community on the incorporation of community space within any future redevelopment of the site and provide a suitable space where need can be proven. The proposed consultation with Whitehawk residents and community groups detailed in Section 5 of this report will inform this decision. This report is complimented by a separate report in part two of the Agenda.

2. RECOMMENDATIONS:

- 2.1 That committee authorises the freehold acquisition of Valley Social Centre at the appropriate price following independent valuation advice.
- 2.2 That the approved budget for this acquisition will be added to the 2019/20 HRA capital programme and will be funded from commuted resources held by the council. Further detail is included in the part 2 report.
- 2.3 That delegated powers be given to the Executive Director of Neighbourhoods Communities & Housing, the Executive Director Economy, Environment & Culture and the Executive Lead of Strategy, Governance and Law to agree terms for the acquisition.

3. CONTEXT/ BACKGROUND INFORMATION

The Site

- 3.1 The Valley Social Centre (VSC) is home to the Whitehawk and Manor Farm Community Association. It is a social club and venue for functions, training and events, providing competitive rates to the voluntary, community and statutory

sectors and is located on the west side of Whitehawk Way (see Appendix 1). Pedestrian and vehicular access is from the rear of the building, via the adjacent car park. The adjacent car park is owned by the council. There is also pedestrian access from Whitehawk Way via an elevated walkway.

- 3.2 The Trustees of VSC bought the site in 1970's from St Cuthman's Church (shown in red in App 1). The car park (shown in yellow in App 1) is owned by the council and is located on Housing Revenue Account land (approx. 0.05 Ha).
- 3.3 The VSC is a two storey detached building used as a Social Centre and venue for training, functions and events. The accommodation is arranged as offices, stores, a sports arena, training rooms, function rooms, a bar, café and nursery with ancillary toilets etc. The building was originally constructed in the early 1980s and subsequently extended.

The Valley Social Centre

- 3.4 According to the Trustees, the VSC has suffered from falling bookings in recent years, partially as a result of the establishment of the Whitehawk Community Hub & Library which, they report, has also led to the re-location of certain services to the Hub. Many of the grassroots organisations who rented accommodation at VSC over a number of years (e.g. Impact Initiatives, Sussex Deaf Association, Safety Net, Women Without Violence etc.) have either folded, due to a lack of revenue funding, or re-located to other premises in the city.
- 3.5 In July, the Trustees of the VSC contacted the council as they were keen to explore the council purchasing the freehold interest in the building, in advance of marketing it for sale in the open market in October 2019. At a meeting with Trustees in August, officers interrogated the current operation and it was evident that the café was no longer operating and that no other organisations were renting space within the building. The Trustees accepted that the VSC was no longer viable and would need to be sold once the nursery was wound up and the children re-located to Roundabout nursery in September 2019.
- 3.6 The Trustees have already had the site valued. In order to inform a decision on whether to purchase the site or not, council officers commissioned Parsons Son and Basley (PSB) to provide some independent advice on the potential value of the property. Their pre-acquisition valuation advice is summarised in the Part 2 report.
- 3.7 A high level study carried out by the council's Property Architecture & Design Team revealed that the combined site, including the council's car park, of 0.16 Ha could accommodate approximately 21-28 council homes in a 3-4 storey development, with some allocated parking. The precise quantum of housing is likely to be influenced by feedback from planning officers regarding the mass and height of the development and whether a community use is incorporated as a result of further community consultation as detailed in Section 5 of this report.

4 ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 There are two options that officers have been exploring:

Options	Opportunities	Threats	Risks
<p>Option 1 - Do nothing The council doesn't purchase the building, resulting in its sale via auction on the open market.</p>	<ul style="list-style-type: none"> • Other organisations or developers will be given the opportunity to acquire the site • The capital receipt derived from the sale will be distributed to community organisations in the "area of benefit" 	<ul style="list-style-type: none"> • The council loses the opportunity to deliver more council homes to meet the council's target of 800 additional council homes in the next 4 years • The site is developed without proper consideration of the needs of the local community • Selling the building in the open market will mean extra costs incurred for the Trustees, exposing them to financial liability for these costs 	<ul style="list-style-type: none"> • High risk of community unhappiness and disillusionment with the council for not stepping in to help address the situation with the VSC • Residents have already expressed some concern about the quantum of proposed development in the East Brighton area and the impact on community space and/or amenities. • It will limit the opportunity for the council to convert the car park (in council ownership) to an alternative use
<p>Option 2 (Preferred) – The council purchases the building</p> <p>The council already owns the car park (which is located on HRA land). Purchasing the building will expand the land available to enable the construction of 21-28 new council homes. Consideration will be given to the incorporation of community space within the proposed development, if there is a need for new community facilities</p>	<ul style="list-style-type: none"> • The council makes best use of its existing assets by contributing towards the delivery of its council house target of developing 800 additional council homes by 2023 • The capital receipt derived from the sale will be distributed to community organisations in the "area of benefit" • The site is developed with proper consideration of the needs of the local community • The council has the financial resources available to make the purchase 	<ul style="list-style-type: none"> • The acquisition costs together with the provision of new community space could make it unviable to redevelop the site for housing • Further down the line, the council would need to make a planning application which may be refused planning permission 	<ul style="list-style-type: none"> • Officers would need to ensure that future development proposals were viable by managing public expectations about the quantum of new community space that could be re-provided • Initial discussions with planners would suggest that the principle of housing or a mixed use development on this site is acceptable, providing suitable policy justification can be made

4.2 Based on the council's independent valuation advice, officers recommend proceeding with the council's purchase of the building. Following acquisition, it is further recommended that a meeting be held involving the council and St Cuthman's Church to explore potential opportunities for bringing forward a future

development in partnership. This could potentially combine both parcels of land to facilitate a mixed use development comprising housing and a new community facility. Underpinning these discussions would be a very “bottom up” approach to community engagement in order to fully establish the needs of Whitehawk residents and local community groups in any future redevelopment of the site.

- 4.3 There has been some discussion within the broader Whitehawk community, of potentially registering the site as a community asset. The process of registering a community asset with the Local Planning Authority is likely to take a considerable amount of time running into several months. Since there are covenants on the land which already offer protection of the site for community uses, going forward, it is not clear what the advantages would be for the community in pursuing this option. However, if the site were to be sold at auction, this may be something that the community may wish to explore further.
- 4.4 Other options for the site were considered including whether the site could be used for community led housing instead of new council homes. Whilst the council has allocated HRA land via a long lease for community led housing (e.g. Plumpton Close and Dunster Close, with a scheme at Hinton Close under review), these have, to date, been small sites which would be unviable for the council to bring forward for housing development. In this case, the opportunity afforded by the sale of the VSC together with the HRA land (i.e. car park) is too significant for the council not to take forward. This is because there is potential to deliver between 21-28 new council homes towards the council’s pipeline for development of 800 additional council homes in the next 4 years. Therefore the preference on this site is for the council to purchase the freehold and seek to develop new council homes.

5 COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 As part of the options identification process, officers have been liaising with the council’s Community Engagement Team to gain a better understanding of the Whitehawk area, including:
- the existing supply and location of community facilities, together with the demand for those facilities;
 - the current economic standing of community and voluntary sector organisations; and
 - the identification of any gaps in the provision of community facilities.
- 5.2 These discussions have revealed a mixed picture, with some community facilities thriving i.e. the Manor Gym, Hawks Café etc. while others, such as the Whitehawk Inn (Brighton Housing Trust) and Crew Club, are struggling as a result of factors such as over reliance on single grant streams, high private rents and building costs.
- 5.3 Community Engagement Officers were aware that the Valley Social Centre had been struggling for a number of years and had seen a number of its services cease including the bar and function room (a commercial operation), the café and the nursery. Rental streams from the office space, which used to be rented out to a number of grassroot community organisations, is now non-existent. Nevertheless, the VSC still provides storage space for the foodbank which is run on a weekly basis by St Cuthman’s Church. If the council acquires the site, it is

highly likely that an agreement will be reached with St Cuthman's to continue to provide storage space for the foodbank within the building while further consultation is undertaken with the community regarding the future redevelopment of this site.

- 5.4 Recently, council officers, ward Members and other community groups have found it increasingly difficult to hire rooms within the Centre due to unavailability of staff taking the bookings and/ or higher room hire tariffs. This is not uncommon, especially when room bookings are falling leading to a significant reduction in revenue available to employ staff, pay the utility bills and meet the maintenance obligations of the building. The Trustees have advised that they have been under financial pressure for some years.
- 5.5 Officers will gather more evidence from the Centre Manager of Valley Social Centre on the use of the building over the past 1-2 years. A wider consultation with other community organisations like St Cuthman's Church, the Crew Club, Brighton Housing Trust, Whitehawk Inn, The Manor etc. would be undertaken to establish the need for community facilities on this site. This information will not only inform the council's strategy in relation to this site, but it will also provide the necessary evidence to support a future planning application if the site were to be brought forward for a housing or mixed use development.

6. CONCLUSION

- 6.1 The council owns the adjacent car park and is in the unique position of being able to make best use of the overall site. If approved, this proposal has the potential to deliver circa 28 new council homes for the council to let to applicants in housing need from the Homemove register. This fits with the council's Housing Strategy 2015 objectives to increase housing supply and prioritise support for new housing development that delivers a housing mix the city needs, with a particular emphasis on family and affordable rented housing. This scheme will also help toward achieving the development of 800 additional council homes as outlined in the Housing Committee Priorities and Work Plan for 2019 to 2023, as well as enhance existing community facilities in the local area.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The approved budget for this acquisition will be added to the 2019/20 HRA capital programme and will be funded from commuted sums held by the council. Further detail is included in the part 2 report. The housing commuted sums is an amount of money, paid by a developer to the council, where the size or scale of a development triggers a requirement for affordable housing but it is not possible to achieve appropriate affordable housing on site. These sums can subsequently be used by the council to unlock affordable housing development across the city.

Finance Officer Consulted: Craig Garoghan

Date: 27/9/2019

Legal Implications:

- 7.3 The acquisition of land is a decision which must be made by the council's Policy & Resources Committee (P&R). Purchases of properties which will be used for housing are generally the subject of reports to the Housing Committee before a report is brought to P&R. However, this is not necessary where it is impractical for timing or other reasons. In this instance, there is a concern that the opportunity to purchase the site will be lost to the council if there is delay.
- 7.4 Section 17 of the Housing Act 1985 enables a local authority to acquire land for housing purposes. The property is subject to a number of restrictive covenants which restricts the use of the property. From initial inspection of the title information, it appears that the council has the benefit of the main restriction which limits the use of the property to a Community Hall Social Centre or Club as it originally sold the VSC together with other land in 1935 to the Chichester Diocesan Fund and Board of Finance. If this property is purchased the release/discharge of this covenant should be achievable and legal services will consider this carefully prior to the purchase proceeding.

Lawyer Consulted: Joanne Dougnaglo /Alice Rowland

Date: 27/09/2019

Equalities Implications:

- 7.5 There are no immediate equalities implications arising from this report. However, extensive consultation with local community organisations and residents in the East Brighton area will be undertaken to support any future redevelopment of the site.

Sustainability Implications:

- 7.6 There are no immediate sustainability implications arising from this report. For any redevelopment of the site, all new homes will be required to meet sustainability standards, be energy efficient and encourage a sustainable lifestyle.

Crime & Disorder Implications:

- 7.7 Any redevelopment of the site will be designed having heed to the requirements outlined in the Secured by Design guidance.

Risk and Opportunity Management Implications:

- 7.8 Please see paragraph 4.1 for opportunity, threats and risks analysis. Any risks associated with developing new homes on the site will be closely monitored by the Project Manager and Design Team.

Public Health Implications:

- 7.9 There are no immediate public health benefits arising from the project at this stage. However, there are numerous benefits to the potential provision of additional, good quality and energy efficient council housing.

Corporate / Citywide Implications:

- 7.10 The New Homes for Neighbourhoods programme of building new homes on council land supports the council's priorities for the economy, jobs and homes. The development of new housing has a strong economic multiplier impact on the

local economy, estimated at over £3 of economic output for every £1 of public investment, creating jobs and supply chain opportunities.

- 7.11 Every new home built on small sites helps meet the city's pressing housing needs and deliver the first priority in the council's Housing Strategy 2015 of improving housing supply. New homes also help bring benefits to the council in the form of new council tax income.

SUPPORTING DOCUMENTATION

Appendices:

1. Site Plan Valley Social Centre

Documents in Members' Rooms

None

Background Documents

None

Appendix 1 – Site Plan Valley Social Centre

