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| | <h2>ACTION TAKEN UNDER DELEGATED POWERS BY OFFICER</h2> |
| <p style="text-align: right;">Title</p> | <p>Resident Leaseholder Shared Equity Arrangements – Phase 3 Dollis Valley Estate</p> |
| <p style="text-align: right;">Report of</p> | <p>Commissioning Director Growth and Development</p> |
| <p style="text-align: right;">Wards</p> | <p>Dollis Valley</p> |
| <p style="text-align: right;">Status</p> | <p>Public with separate exempt report (Not for publication by virtue of paragraphs 3 of Schedule 12A of the Local Government Act 1972 as amended (as this relates to the financial or business affairs of any particular person (including the authority holding that information)).</p> |
| <p style="text-align: right;">Enclosures</p> | <p>None</p> |
| <p>Officer Contact Details</p> | <p>Arshad Ahmed, Regeneration Property Officer (RE) Arshad.Ahmed@Barnet.gov.uk, 0208 359 6013</p> |

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| <h3>Summary</h3> |
| <p>Under the terms of the Regeneration Agreement for Dollis Valley the resident leaseholders on the estate have been offered the option of reinvesting the value of their existing properties into a shared equity purchase of a new home on the estate, under which agreement the Council would purchase and hold the balance of the equity.</p> |
| <p>Five leaseholders currently occupying properties in phase 3 of the development have opted to take up the Council’s offer and the Council now needs to provide the funding of the equity that it will retain in these five homes so that its development partner, Countryside, can complete the sales and move the leaseholders out of the homes which will need to be demolished for the next phase. The funding of the equity will be in accordance with the regeneration agreement. The value of the council’s shared equity and associated contributions in respect of stamp duty land tax will be to the development partner or paid in a lump sum to Countryside on completion of each property purchase.</p> |
| <h3>Decisions</h3> |
| <ol style="list-style-type: none"> 1. That in accordance with the resolution of Assets Regeneration and Growth Committee dated 12th December 2016 and the terms of the Regeneration Agreement dated 1st October 2012 made between the Council and Countryside Properties (UK) limited (CPUK), the Council agrees to enter into shared equity mortgages of the five newly constructed properties on the redeveloped Dollis Valley estate detailed at paragraphs 1.9 and 1.10 of this report and will pay |

the value of the Council's equity share to CPUK along with a sum in respect of the stamp duty land tax payable for each property in proportion to the Council's equity share.

1. WHY THIS REPORT IS NEEDED

- 1.1 The Council are working with its Development Partner, Countryside Properties (UK) Limited (CPUK) to deliver the Regeneration Scheme at Dollis Valley.
- 1.2 The Dollis Valley Regeneration Agreement became unconditional on 4th February 2014, and sets out the proposed development to be constructed over 5 phases.
- 1.3 Under the Regeneration Agreement the Council has committed to support this development through a Shared Equity Offer to existing, qualifying resident leaseholders on the estate.
- 1.4 Assets Regeneration and Growth Committee, 12 September 2016 resolved:

“to delegate authority to the Commissioning Director of Growth and Development to authorise amendments to the Regeneration Agreement and associated documents for the Dollis Valley regeneration scheme and to take all necessary actions to implement acquisitions and shared equity arrangements for phases 3, 4 and 5 of the scheme”.
- 1.5 This DPR is to authorise the Council to enter into shared equity mortgages in respect of the five newly constructed properties on the redeveloped estate and to pay to CPUK the value of those equity shares and sums equivalent to the stamp duty land tax (SDLT) attributable to its share of the equity in the properties.
- 1.6 The Development agreement dated 1st October 2012 sets out the agreed offer to leaseholders who will be required to relinquish their existing properties as part of the development of the Dollis Valley Estate, which includes a shared equity option intended to allow existing owner occupiers, who meet the residence qualification criteria, to purchase new property on the redeveloped estate.
- 1.7 The terms of the shared equity offer provides for CPUK to purchase the leaseholder's existing property at market value. The leaseholder must then invest, into a new property on the redeveloped estate (which must have no more bedrooms than their existing property), the full sale proceeds from their existing home. The balance of the value of the new property is provided by way of an equity loan funded by Barnet Council. The new properties will be owned by the leaseholders but the Council will take an equity charge over each of the properties securing to the Council a % share in the future value of the properties.
- 1.8 Five leaseholders on Phase 3 of the development have now decided to take up the shared equity offer and authority is now sought to enter into the shared equity mortgages with them in respect of their new homes, which are located on Phase 2
- 1.9 Exempt information and table

1.10 Exempt information.

2 REASONS FOR DECISIONS

2.1 The shared equity offer is provided for by the terms of the Regeneration Agreement to enable existing qualifying resident leaseholders to remain on the redeveloped estate should they wish to do so.

3 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3.1 This decision implements earlier member decisions and delivers the parties obligations under the Regeneration Agreement. There are no alternative options proposed under the delegated authority.

4 POST DECISION IMPLEMENTATION

4.1 Following the decision the Council solicitors, HB Public Law, will complete the shared equity mortgages in respect of each of the properties. The value of the Council's equity and contributions in respect of SDLT will either be applied against the minimum land value secured for future phase transfers or paid as a lump sum to CPUK.

5 IMPLICATIONS OF DECISION

A. Corporate Priorities and Performance

5.1 The Dollis Valley Regeneration Scheme supports the Corporate Plan 2015-2020 priority "To maintain the right environment for a strong diverse local economy 'and the strategic objective under this priority is to sustain Barnet by 'promoting growth, development and success across the borough'.

5.2 The scheme also supports the corporate priorities and the sustainable Community Strategy 2010-2020 through the following core values:

'Sharing opportunities for success' and 'choice and responsibility' - the new development will provide good quality homes. The development will also offer more choice by providing a number of different housing options, such as shared equity, shared ownership and private homes for sale to residents and those in wider community'.

B. Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability) - Finance

5.3 The shared equity loans will be funded by the Council. The Council in its Approved HRA Capital Programme has made funding available for Shared Equity at Dollis Valley and this (estimated currently at £1.654m) will be payable to Countryside Properties (UK) Limited by the council on completion of the individual Shared Equity purchases. The approved budget is as follows – the estimated payment is anticipated to be made early (during 2016/17), from the 2017/18 allocation:-

| Budget | 16/17 | 17/18 | 18/19 | 19/20 | Total |
|---------------|--------------|--------------|--------------|--------------|--------------|
| | £000 | £000 | £000 | £000 | £000 |
| Dollis Valley | 100 | 9,900 | 1,500 | 1,500 | 13,000 |

C. Legal and Constitutional References

- 5.4 The Council has power to enter into regeneration agreements and associated land disposals, acquisitions and charges of land in accordance with a number of statutory powers including s1 of the Localism Act 2011 and s120-123 of the Local Government Act 1972.
- 5.5 In accordance with the decision of Assets Regeneration and Growth Committee, 12 December 2016 authority was delegated to the Commissioning Director of Growth and Development to enter into the shared equity arrangements required in respect of phases 3, 4 and 5 on the estate.

D. Risk Management

- 5.6 CPUK is actively engaged in the voluntary acquisition of land interests in Phase 3. However acquisition of the land in the all remaining phases is also underwritten by an approved compulsory purchase order (CPO). Transfer of any land to CPUK which is subjected to interests that have not been acquired successfully by negotiation can only take place following the making of the General Vesting Declaration (GVD) for each of the phases.

E. Equalities and Diversity

- 5.7 The Council is committed to improving the quality of life and wider participation for all in the economic, educational, cultural, social and community life of the Borough. The regeneration of Dollis Valley Regeneration will provide a mix of affordable, intermediate and private sale properties. The new mixed tenure housing will improve the community cohesion in an area with a highly diverse population. It will provide increased choice and opportunity for Barnet residents. This supports the overall aim of the council's Equalities Policy and supports the equality priorities outlined in Barnet's Equality Scheme.
- 5.8 Dollis Valley will deliver a mix of up to 631 affordable, intermediate and private homes which should assist in fostering community cohesion. The delivery of the regeneration scheme is being conducted in consultation with the Dollis Valley Partnership Board which represents the interests of the residents on the Estate.
- 5.9 The proposed decision allows existing resident leaseholders to remain on the redeveloped estate and it is not considered that it will give rise to any adverse implications for persons within protected equality groups.

F. Consultation and Engagement

5.10 The Council consulted fully with the local community and other stakeholders prior to cabinet approval to the master plan and ahead of its decision to enter into the Regeneration Agreement.

6. DECISION TAKER'S STATEMENT

6.1 *I have the required powers to make the decision documented in this report. I am responsible for the report's content and am satisfied that all relevant advice has been sought in the preparation of this report and that it is compliant with the decision making framework of the organisation which includes Constitution, Scheme of Delegation, Budget and Policy Framework and Legal issues including Equalities obligations.*

7. OFFICER'S DECISION

I authorise the following action:

That in accordance with the resolution of Assets Regeneration and Growth Committee dated 12th December September 2016 and the terms of the Regeneration Agreement dated 1st October 2012 made between the Council and Countryside Properties (UK) limited (CPUK), the Council agrees to enter into shared equity mortgages of the five newly constructed properties on the redeveloped Dollis Valley estate detailed at paragraphs 1.9 and 1.10 of this report and will pay the value of the Council's equity share to CPUK along with a sum in respect of the stamp duty land tax payable for each property in proportion to the Council's equity share.



Signed Cath Shaw

Date 30.01.2017