

Key Decision Required:	No	In the Forward Plan:	No
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CABINET

12 NOVEMBER 2021

JOINT REPORT OF THE PORTFOLIO HOLDER FOR HOUSING AND THE PORTFOLIO HOLDER FOR CORPORATE FINANCE & GOVERNANCE

A.12 ACQUISITION OF LAND AT THE JUNCTION OF SEA WAY AND TAMARISK WAY, JAYWICK

(Report prepared by Andy White)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To approve the principle of acquiring the freehold of the former café building and adjoining dwelling in Sea Way Jaywick as shown on the Plan at Appendix A.

EXECUTIVE SUMMARY

The land adjoins the ten starter homes recently constructed by the Council off Tamarisk Way. A key location marking the transition between the Village and Brooklands areas and the first visual reference point of the manifestation the Council's regeneration aspirations. The café building has been vacant and derelict for some time. The adjoining dwelling is currently occupied by a private sector tenant.

Terms have been provisionally agreed for the acquisition of the two premises as shown edged in red on the attached plan at Appendix A

An opportunity exists to acquire the two properties to further commit to the regeneration of Jaywick, improve the environment around the new homes and potentially provide for some further development in the future. Detail of the provisional terms agreed is set out in a further report in Part B of this Agenda.

The Council has recognised that due to the difficult market conditions in the Jaywick area, high quality private sector housing development is potentially not viable and therefore unlikely to take place. The Council, in its Community Leadership and housing provider roles, is seeking to kick-start regeneration of the area by direct housing development to improve housing conditions for local residents and stimulate a change in market conditions.

Normal valuation models do not work in Jaywick given the viability issues. Whilst viability is a concern, the Council can take a longer term view in respect of its investment in the area and take account of non-financial factors.

RECOMMENDATIONS

That Cabinet approves the principle of acquiring the site of the former café building and adjoining dwelling in Sea Way, Jaywick.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES	
Depending on the final scheme agreed the potential acquisition of the property offers potential to contribute to Council priorities of:	
<ul style="list-style-type: none"> • Public spaces to be proud of in urban and rural areas; 	<ul style="list-style-type: none"> • Use assets to support priorities;
<ul style="list-style-type: none"> • Building and managing our own homes 	<ul style="list-style-type: none"> • Jaywick Sands - more and better housing; supporting the community
FINANCE, OTHER RESOURCES AND RISK	
Finance and other resources	
Funding for the acquisition is available within the Housing Investment Programme capital allocation.	
Whilst viability of market housing is a concern, the Council can take a longer strategic view in respect of its investment in the area.	
Following changes to the financing of Council housing within the Housing Revenue Account (HRA) in April 2012, it is now financially viable for local authorities to add to their existing stock through acquisition or new build. Prior to this date Councils could built and/or acquire property but they may have been financially penalised through the HRA subsidy system if they did so.	
If Councils wish to add to their stock with grant there are a number of conditions which they would need to comply with to satisfy the Homes and Communities Agency grant regime, such as adopting the Affordable Rent Regime, but if no grant is required the programme can be undertaken in accordance with the local authorities’ own requirements. It is unlikely that the Council would wish to use the Affordable Rent Model for any properties built on any sites which are acquired, but using this model may be considered as the overall development progresses.	
Risk	
Although improving the financial viability of development in Jaywick is challenging and this potential acquisition cannot be measured in normal commercial terms, the improvement of the area is a key priority and the acquisition should be viewed from that perspective.	
LEGAL	
Section 17 of the Housing Act 1985 provides power to acquire land for housing purposes. Section 32 of the housing Act 1985 provides power to dispose of land held for housing purposes.	
The land is owned by a private sector landlord. The Cabinet may wish to acquire one property or both. Although the aggregate value of the sites exceed the level at which two valuations would be required under property rules. However, it is the view of officers that each of the properties individually is valued at less than the threshold and that it commissioning a further valuation would not change the price agreed and would incur additional revenue cost. Further details are included in the report in part B of the agenda.	
OTHER IMPLICATIONS	
Consideration has been given to the implications of the proposed decision in respect of:	

Crime and Disorder	Regenerating the area is likely to reduce opportunities for antisocial behaviour.
Equality and Diversity	The wider priority to regenerate Jaywick Sands has its objective in the reduction of inequalities.
Health Inequalities	
Consultation/Public Engagement	The Council has commissioned HAT to create a spatial vision for Jaywick Sands. Work is ongoing and has included significant public consultation to date. Ward members have been invited to comment on acquisition proposals. At the time of writing no comments have been received. If any are made prior to the Cabinet meeting they will be tabled at the meeting.
Net Zero Emissions	Any replacement structures on the land would be constructed to high environmental standards
Biodiversity	The sites as existing are largely built on and paved. The derelict café will be checked for any avian presence before any work is commissioned.
Ward	West Clacton & Jaywick Sands

PART 3 – SUPPORTING INFORMATION

BACKGROUND
<p>Officers have been in discussion with the owner of two properties in Jaywick, who is potentially willing to dispose of them to TDC.</p> <p>The first property in Sea Way is a 2 bedroom residential bungalow,</p> <p>The second property which is adjacent lies at the junction with Tamarisk Way. Former uses for this were as a café and residential property. It is now fire damaged and derelict.</p> <p>The properties are not in prime condition and lie immediately adjoining new homes constructed and offered for sale by TDC and at the entrance to the Brooklands and Grasslands areas.</p> <p>As part of previous reports, where it was agreed to purchase significant parcels of land in Jaywick Sands, the Council's intentions were made clear. The overall ambition was to seek to resolve the long standing issues of Jaywick Sands including providing a significantly improved housing offer. Inadequate housing and poor environments have been shown to be significant contributors to challenges the area faces, including health inequalities, poor educational attainment, mental health problems etc.</p> <p>The above approach was therefore based on the foundation of housing led regeneration with the land therefore purchased and held in the HRA. This approach has not changed and has been recently supported with the 10 new homes built immediately adjoining the site that is the subject of this report.</p> <p>It is important to keep momentum behind the current regeneration of the area, whilst also recognising that the wider housing solutions are likely to have significant lead in times. This also sits alongside the approach of building private sector developers' confidence in the area, as they will undoubtedly play a key role in the future housing led regeneration of Jaywick Sands.</p>

Research from Public Health England shows clear evidence that good housing improves health and wellbeing across people's lives and protects against social exclusion. This project will improve employment opportunities in the District where 18% of Wards were ranked among the top 10% most deprived in England in 2019, with four of those, including Jaywick sands ranking among the top 1%. Evidence suggests that improving Housing standards will improve health outcomes for local people and increase opportunities to move out of deprivation.

The site occupies a key location marking the beginning of the Council's regeneration aspirations, the transition between parts of Jaywick and a key gateway within the area.

Jaywick Sands is ranked as being the most deprived community in England, and the project intervention set out in this report seeks to support a wider programme of Council activity, which has the objective of addressing the deprivations prevalent in Jaywick Sands.

CURRENT POSITION

Officers have negotiated provisional terms for the acquisition of the properties. Full details are set out in the report in Part B of this agenda.

APPENDICES

Appendix A: Location Plan