

Decision taken

Made by an Executive Member or Chief Officer



MANCHESTER
CITY COUNCIL

Notice of Executive Decision Made by Council Officer

Decision maker	City Treasurer
Date of decision	28 February 2019
What is the decision?	<p>To approve the inclusion of alternative uses in the land lease between Manchester City Council and Southway Housing Trust for the Gorton Extra Care Scheme. This will ensure that, should the provision of extra care end, the building will continue to be used as affordable housing.</p>
Reasons for the decision (but excluding any exempt or confidential information)	<p>The provision of extra care housing is a key strategic priority for the Council and on 8th March 2017, as part of a report on Extra Care Housing, Executive approved recommendations to:</p> <p>3. Delegate final approval of the terms and conditions to the Director of Housing, the City Treasurer and the Head of Development, in consultation with the Executive Member for Housing and Regeneration and Executive member for finance.</p> <p>4. Authorise the City Solicitor to conclude and complete all documents and agreements necessary to give effect to the terms and conditions approved and agreed.</p> <p>6. Approve the disposal of the site of Bellamy Court, Abbey Hey at an undervalue of £630,000 on condition of it being used for the purpose of providing Extra Care.</p> <p>Southway Housing Trust have brought forward proposals for a 106 apartment extra care scheme for the site, with planning consent achieved in June 2018. Practical completion is scheduled for March 2021.</p> <p>The proposed lease is for 250 years. SHT's lenders require evidence of long term use for the building. Manchester Health and Care Commissioners cannot commit to long term care funding as commissioning is based on need.</p> <p>Should MCC cease to commission a block care contract, this effectively ends the building being used as extra care housing. Therefore, to enable the scheme to be delivered, the lease proposes:</p> <ul style="list-style-type: none">● First alternative use is for affordable housing for

	<p>people age 55+. Should SHT be able to evidence to MCC that there is no longer demand for this use, they will seek MCC consent to go to:</p> <ul style="list-style-type: none"> • Second alternative use of affordable or social housing. <p>Due to the extensive communal space in an extra care scheme, the service charge to residents is higher than a scheme of affordable housing for people age 55+. Should the building go to alternative use, SHT anticipate there will be a need to reduce the amount of communal area by converting space to accommodation. This will lower the service charge for residents as much as possible.</p> <p>In order to protect the City's interests, the lease requires the parties to work together to determine if the change of use has resulted in a greater income for the Lessee (SHT) and, if so, the Lessee should pay a consideration to the Lessor (MCC).</p>
<p>Alternatives considered and rejected</p>	<p>The alternative uses clauses are based on the original Heads of Terms agreed between MCC and SHT. Meaning and wording were subject to negotiation between the parties.</p>
<p>Interests Declared</p>	<p>None</p>
<p>Officer contact details For any further information</p>	<p>Name: Steve Sheen Tel: 0161 234 4115 (Internal:800 34115) Email: s.sheen@manchester.gov.uk</p>
<p>Date this notice was published</p>	<p>5 March 2019</p>