

TITLE OF REPORT: 0.33 HECTARE SITE, MEADOW WAY, THERFIELD

REPORT OF THE HEAD OF FINANCE, PERFORMANCE & ASSET
MANAGEMENT

PORTFOLIO HOLDER: COUNCILLOR T.W. HONE

1. SUMMARY

- 1.1 To seek Cabinet's authority to dispose to Howard Cottage Housing Association part of the District Council's freehold land at Meadow Way, Therfield land for the provision of affordable housing.

2. RECOMMENDATIONS

- 2.1 That, Cabinet notes the contents of this Part 1 public report and defers a decision in order to consider the issues raised within the Part 2 exempt report that follows.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To facilitate the provision of new affordable social housing through the use of Council-owned land that might otherwise remain of limited benefit to the community.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Retaining the land as informal open space.

5 FORWARD PLAN

- 5.1 This report contains a recommendation on a key decision that was first notified to the public on the Forward Plan on 28 October 2014.

6. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS

- 6.1 The Housing Development Liaison Officer has discussed this project with Howard Cottage. In addition, discussion between the Parish Council and Howard Cottage has taken place. The relevant Ward Member Councillor G Morris has been consulted. He has confirmed that the Parish Council are aware of Howard Cottage's proposal and are supportive. Royston Committee were consulted at its meeting of 10 December 2014.

7 BACKGROUND

- 7.1 The District Council owns approximately 1.13 hectares (2.8 acres) of land at Meadow Way, Therfield under registered freehold Title No. HD497932, as outlined purple and coloured green and pink on the attached plan.

- 7.2 Howard Cottage has developed other housing in Meadow Way. The District Council had previously transferred land to Registered Social Landlords to provide affordable housing.
- 7.3 Howard Cottage's proposals are to build 8 dwellings on the 0.33 hectare (approx.) land coloured green on the plan attached to the report. The current scheme, subject to planning, is for:
- One 1 bed bungalow for affordable rent
 - One 2 bed bungalow for affordable rent
 - Three 1 bed flexi houses for affordable rent
- Two 2 bed houses for shared ownership
One 3 bed house for shared ownership
- 7.4 The District Council's Housing Development Liaison Officer advises that, in accordance with the Rural Housing Needs Policy of the District Council's Local Plan, the development of the site is dependent on providing affordable housing to meet an identified local housing need. A rural housing needs survey was undertaken in Therfield in 2013 in partnership with the District and Parish Councils. The survey identified the need for thirteen affordable housing units overall.
- 7.5 Following consultation with planning colleagues it is clear that where there is a proven local need for affordable housing 'exception sites' outside of Selected Village (Policy 7) boundaries can be developed as an exception to normal policies of restraint in rural areas. Such sites are not formally designated - it is something which it falls to the applicant to make the planning argument, in this case guided by the criteria set out in Policy 6 – Rural Areas beyond the Green Belt and Policy 29 – Rural Housing Needs of the District Council's Local Plan together with the advice set out in the National Planning Policy Framework. The site at Therfield is not within the Selected Village (Policy 7) boundary and therefore the case for its development for affordable housing would need to be made in accordance with the policy provisions for exception sites.
- 7.6 The sale of land for affordable housing supports the District Council's priority of Promoting Sustainable Development. A key project in the Priorities for the District 2014/15 is to "dispose of surplus Council land that can be developed to provide new homes and generate Capital sums to fund key projects".

8. ISSUES

- 8.1 The Housing Development Liaison Officer advises that any further development beyond Howard Cottage's latest proposal will normally be subject to a future rural housing needs survey.
- 8.2 The proposed land disposal presents an opportunity for the District Council to make use of land to support the provision of additional housing in a rural village.
- 8.3 A disposal of the land at discounted value will enable Howard Cottage to deliver an affordable housing scheme to meet the identified local affordable housing need. One of North Hertfordshire District Council's priorities as stated within the Sustainable Community Strategy, Corporate Plan, Service Plan for the Strategic Planning & Enterprise Service and the Housing Strategy is the delivery of affordable housing.

9. LEGAL IMPLICATIONS

- 9.1 Cabinet in exercising its functions have powers to dispose of land or buildings where the consideration is between £250,000 and £2,500,000.
- 9.2 The Contract Procurement Rules and specifically Appendix I apply to the sales of land or property. If Cabinet were to agree to dispose of this land, the Officers seeking to market and dispose of the land would be required to do so within the remit of the Contract Procurement Rules.
- 9.3 Section 123 of the Local Government Act 1972 allows a Council to dispose of land in any manner it wishes provided that the consideration is the best that can be reasonably obtained unless the Secretary of State consents to the disposal.
- 9.4 Under Section 123(2) the Secretary of State has issued a general consent for disposals at less than best consideration that can reasonably be obtained. This permits such disposals where:
- (a) the undervalue does not exceed £2,000,000; and
 - (b) it is likely to achieve (in the whole or part of NHDC's area) any one or more of the following objects:
 - (i) the promotion or improvement of economic well-being;
 - (ii) the promotion or improvement of social well-being;
 - (iii) the promotion or improvement of environmental well-being.

If the proposed disposal proceeds at an undervalue then it can do so under this general consent.

- 9.5 Sections 123(2A) and 127(3) of the Local Government Act 1972 require a local authority wishing to dispose of open space to advertise its intentions in a local newspaper for 2 consecutive weeks and to consider objections. Authorities should carry out these procedures before making any final decisions.
- 9.6 There may be specific legal implications relevant to the sale of the property e.g. covenants on Title, easements and third party rights. The land is subject to third party rights. However there is nothing revealed in the Land Registry paperwork that would prevent/hinder the disposal of the land for development
- 9.7 The New Homes Bonus is paid through Section 31 of the Local Government Act 2003 as an unringfenced grant.

10 FINANCIAL IMPLICATIONS

- 10.1 As with previous disposals to Residential Social Landlords, the price will be discounted to allow for the provision of full nomination rights.
- 10.2 Central Government will provide New Homes Bonus funding for six years on the basis of the national Band d (£1,468 for 2014). Currently this is split 80% to the District Council and 20% to the County Council, with an additional premium of £350 per year to the District Council for each affordable home.
- 10.3 Therefore, if this site was progressed for residential use and assuming 8 homes were to be built, this development would represent a New Homes Bonus sum in the region of £10,000 per year for six years.

11 RISK IMPLICATIONS

- 11.1 Potential risks identified with the project include planning consent being withheld and failure to obtain total funding for the project.
- 11.2 If the Cabinet does not agree to the sale of some of its land holdings at an under-value, there is a risk for the District Council of an adverse impact on its ability to deliver affordable housing for local people.
- 11.3 The sale of assets reduces the risk to the District Council arising from the duties under the Occupiers Liability Act 1957 and 1984. The sale will also generate a capital receipt to assist in funding the District Council's capital investment programme. If land is disposed of at less than market value, this will mean a reduction in capital receipt for the District Council.

12 EQUALITIES IMPLICATIONS

- 12.1 The Equality Act 2010 came into force on the 1 October 2010. The Act created a new Public Sector Equality Duty, which came into force on the 5 April 2011. There is a general duty, described in 8.2, that public bodies must meet, underpinned by more specific duties which are designed to help meet them.
- 12.2 In line with the Public Sector Equality Duty, public bodies must, in the exercise of its functions, give **due regard** to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.3 This land is offering potential for new housing that may benefit the wider community. Amongst the community, to benefit, there may be those who exhibit a protected characteristic. The proposed sale of this land has potential positive equality implications for the community. If Section 106 criteria is applied to the sale, then this could further provide benefits to the wider community. This is an "exception site" and a case will be needed to demonstrate that there is an identified local need for affordable housing.

13 SOCIAL VALUE IMPLICATIONS

- 13.1 As the recommendations made in this report do not constitute a public sector contract, the measurement of "social value" as required by the Public Services (Social Value) Act 2012 need not be applied, although equalities implications and opportunities are identified in the relevant section at paragraphs 12.

14 HUMAN RESOURCE IMPLICATIONS

- 14.3 There are no human resource implications arising from this report.

15. LOCATION PLAN

- 15.1 Appendix A – The plan attached is approximate and for identification purposes only. The exact site boundary may change due to design requirements, dwelling mix and planning.

16. CONTACT OFFICERS

- 16.1 David Charlton, Senior Estates Surveyor david.charlton@north-herts.gov.uk
Telephone: 01462 474320
- 16.2 Debbie Ealand Housing Development Liaison Officer
Telephone 01462 474526
- 16.3 John Fairhall, Property Solicitor, john.fairhall@north-herts.gov.uk
Telephone 01462 474364
- 16.4 Andrew Cavanagh, Head of Financial Services
Andrew.cavanagh@north-herts.gov.uk Telephone 01462 474243
- 16.5 Fiona Timms, Performance & Risk Manager,
fiona.timms@north-herts.gov.uk, telephone 01462 474251
- 16.6 Reuben Ayavoo, Policy Officer, reuben.ayavoo@north-herts.gov.uk
Telephone 01462 474211

17. BACKGROUND PAPERS

- 17.1 Land Registry freehold Title Number HD497932.