

TITLE OF REPORT: LAND AT THE SNIPE AND HITCHIN ROAD, WESTON

REPORT OF THE SENIOR ESTATES SURVEYOR
PORTFOLIO HOLDER: COUNCILLOR T.W. HONE

1. SUMMARY

- 1.1 To seek Cabinet's authority to dispose part of the District Council's freehold land off The Snipe, Weston for the provision of 14 affordable and 11 market housing.

2. RECOMMENDATIONS

- 2.1 That Cabinet agrees in principle to the sale of approximately 1.3 hectares of land at The Snipe and Hitchin Road, Weston for the provision of affordable and market houses subject to a further report on the consultation with Baldock and District Committee, the details of the terms agreed including the land value and any responses to the Section 123 public notices.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To facilitate the provision of new affordable 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 grazing land.

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 27 January 2016.

6. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS

- 6.1 The relevant Ward Member Councillor S Jarvis has been consulted. Contact has also been made with both North Hertfordshire Homes and the Chairman of Weston Parish Council. The Chairman and Vice-Chairman of Baldock and District Committee have been consulted and Baldock and District Committee will be consulted should Cabinet approve the recommendations in this report.
- 6.2 Councillor Jarvis has indicated that he is aware there is considerable local concern about access arrangements to the site and in particular that access should be from Hitchin Road rather from The Snipe or from both. He would like to see a reasonable proportion of affordable to market housing.
- 6.3 Mr T Moody, Chairman of Weston Parish Council has indicated that the Parish is aware of North Hertfordshire Home's plan for housing and the Parish Council supports the proposal. The Parish commissioned a housing needs survey that identified the need for affordable homes of various types. The

Parish have said that due to concerns regarding additional traffic through The Snipe street their support is conditional on vehicular access for the new homes coming from Hitchin Road only and not through The Snipe.

- 6.4 The Parish Chairman further advises that Weston Residents are also concerned that there could be further development in the future. The Parish Council wish to make clear that it would not support further development above 25 homes.
- 6.5 The Parish reports that North Hertfordshire Homes have displayed some plans and have received and taken account of the views of villagers. Final plans have been promised at the time a formal application is ready for submission. The Parish Chairman states that in summary Weston Parish Council supports the sale of the District Council's land and will support development of 25 homes, so long as the concerns of the Parish as outlined above are addressed.
- 6.6 Council J Harris and Councillor J McNally, Chairman and Vice-Chairman of Baldock and District Committee, have indicated that they agree with Councillor Jarvis' comments.

7. BACKGROUND

- 7.1 The District Council owns approximately 1.54 hectares (3.8 acres) of land north of The Snipe and west of Hitchin Road, Weston under registered freehold Tile No. HD498242 as outlined on the attached plan.
- 7.2 Approximately 0.24 hectares (0.58 acres) is a play area let to Weston Parish Council. The remainder is a field on the edge of Weston village of approximately 1.3 hectares (3.22 acres). This report relates to the larger field. The play area has not been identified for new housing and will remain as a play area.
- 7.3 North Hertfordshire Homes owns housing at The Snipe, Friars Road and Hitchin Road adjacent to the District Council's land. The Housing Association has been in consultation with Weston Parish about proposals to develop new housing on part of the District Councils land.
- 7.4 The District Council's Housing Development Liaison Officer advises that in July 2014 a rural housing Needs Survey of the parish of Weston was undertaken by Community Development Action. The survey reports, dated September 2014, identified that a total of 28 affordable units (including rented and shared ownership tenure) were required to meet local housing need.
- 7.5 The District Council's site is identified as WE1 for 25 dwellings in the Local Plan 2011-2031 preferred options consultation paper December 2014. At this stage NHH say their proposed planning application will be for the combined scheme of affordable and market sale housing. This was the basis of the discussion with Tim Moody, Weston Parish Chairman.
- 7.6 Following consultation with planning colleagues it is clear that where there is a proven local need for affordable housing 'exception sites' outside of village boundaries and in the Green belt. The NPPF says that the construction of new buildings are inappropriate in the Green Belt, although exceptions permit development of limited infilling in villages, and limited affordable housing for local community needs and local planning authorities should in particular consider whether allowing some market housing would facilitate the provision of significant affordable housings to meet local needs. Such sites are not formally designated - it is something which falls to the applicant to make the

planning argument, in this case guided by the criteria set out in Policy 2 – Green Belt, Policy 3 Settlements within the Green Belt, 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 Weston is within the Green Belt and therefore the case for its development for affordable and market housing would need to be made in accordance with the policy provisions for exception sites and the NPPF.

- 7.7 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 was 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 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 and is supported by Weston Parish Council.
- 8.2 It is proposed that the part of the site identified for affordable housing will be disposed at discounted land value. This will enable the deliverer of affordable housing to meet the identified local affordable housing need. The land for market housing will be sold at market value. 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.
- 8.3 It is proposed that the sale is made off market to a housing association. Due to the specialist nature of valuing affordable housing and to make certain that the District Council obtains the best price reasonably obtainable it is intended to instruct the Valuation Office Agency to carry out an independent valuation of the land once the exact proposals and tenure mix is finalised.
- 8.4 Prior to disposal of open space section 123 of the Local Government Act 1972 requires the local authority to advertise the proposal to sell for two weeks in a row in a local paper seeking comments or objections. The results will be reported to Cabinet at a later date.
- 8.5 North Hertfordshire Homes have consulted with the Parish of Weston on the proposal to develop the District Council’s land. It is understood that the Parish are supportive. They are proposing to construct 14 affordable units, 4 will be bungalows and 4 will be 2 bed houses all on affordable rent and 6x 2 bed houses will be shared ownership together with 11 market houses.
- 8.6 The scheme has not been finalised yet. It is proposed that access to the land will be provided via a new roundabout on Hitchin Road. This will help with traffic calming on the approach to the village and will also mean that vehicle access will not be required off The Snipe.

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. The capital receipt from the sale will increase the case reserves available to fund NHDC capital projects, while additional interest income from the increased cash balances will benefit the General Fund.
- 10.2 Central Government currently provides New Homes Bonus funding for six years, with the payments received for each addition to the housing stock based on matching the average national council tax band of the unit built (£1,483.58 for a Band D property in 2015-2016 with an additional premium for affordable homes). This is split 80% to the District Council and 20% to the County Council. Similarly, the District Council receives £280 (80%) of the additional premium of £350 per year. for each affordable home.
- 10.3 Therefore, if this site was progressed for residential use and assuming 14 affordable and 11 market homes were to be built that were assessed as Band D Council Tax properties, this development would represent a New Homes Bonus sum in the region of £200,000 over six years (approximately £34,000 per annum). It should be noted that the government is currently consulting on future changes to new Homes Bonus, a consultation which includes proposals

to reduce the number of years over which Councils will receive payments for each additional housing unit from the current six year period to four years.

11. RISK IMPLICATIONS

- 11.1 There are no potential risks identified with this proposed sale. The Parish Council has indicated that they have no objection to the proposed development.
- 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 are 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 Antonio Ciampa, Accountancy Manager
Antonio.ciampa@north-herts.gov.uk Telephone 01462 474566
- 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 HD498242.