

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

REPORT OF THE HEAD OF FINANCE, PERFORMANCE & ASSET
MANAGEMENT

1. SUMMARY

- 1.1 To consult with Royston and District Committee on proposals 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 Royston Committee gives its comments on the proposal to declare land of approximately 0.33 hectares at Meadow Way, Therfield as coloured green on the attached plan surplus to the Council's requirements that is to be considered by Cabinet at a future meeting.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To consult with Royston and District Committee about proposals for the provision of new 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. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS

- 5.1 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 Cllr G Morris has been consulted. He has confirmed that the Parish Council is aware of Howard Cottage's proposal and are supportive. .

6. BACKGROUND

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

- 6.2 Howard Cottage has developed other housing in Meadow Way as the Council had previously transferred land to the Registered Social Landlord to provide affordable housing.
- 6.3 Howard Cottage's proposals are to build 8 dwellings on the 0.33 hectare (approx.) land coloured green. 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
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- Two 2 bed houses for shared ownership
 - One 3 bed house for shared ownership
- 6.4 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.
- 6.5 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.
- 6.6 The sale of land for affordable housing supports the 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".
- 6.7 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.
- 6.8 The disposal of the land 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.

7. LEGAL IMPLICATIONS

- 7.1 The Area Committee has within its terms of reference to consider the policies and actions of Cabinet as to their appropriateness to the needs and aspirations of the local community.

- 7.2 There may be specific legal implications relevant to the sale of the property e.g. covenants on title, easements, third party rights.
- 7.3 The New Homes Bonus is paid through S.31 of the Local Government Act 2003 as a non-ringfenced grant.
- 7.4 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.

- 7.5 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.

8. FINANCIAL IMPLICATIONS

- 8.1 As with previous disposals to Residential Social Landlords, the price will be discounted to allow for the provision of full nomination rights.
- 8.2 Central Government will provide New Homes Bonus funding for six years. 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. This premium is split 80% to the District Council and 20% to the County Council.

9. RISK IMPLICATIONS

- 9.1 Potential risks identified with the project include planning consent being withheld and failure to obtain total funding for the project.
- 9.2 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 Council of an adverse impact on its ability to deliver affordable housing for local people.
- 9.3 The sale of assets reduces the risk to the 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 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.

10. EQUALITIES IMPLICATIONS

- 10.1 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.
- 10.2 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.
- 10.3 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.

11. SOCIAL VALUE IMPLICATIONS

- 11.1 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.

12. HUMAN RESOURCE IMPLICATIONS

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

13. LOCATION PLAN

- 13.1 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.

14. CONTACT OFFICERS

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15. BACKGROUND PAPERS

15.1 Land Registry freehold Title Number HD497932.