

**TITLE OF REPORT : 0.7 ACRE SITE, OFF TEMPLARS LANE, PRESTON, HITCHIN****REPORT OF THE HEAD OF FINANCE, PERFORMANCE & ASSET MANAGEMENT****1. SUMMARY**

- 1.1 To seek Committee's views on a proposal to sell approximately 0.7 acres of land off Templars Lane, Preston, Hitchin, Hertfordshire to Howard Cottage Housing Association (HCHA).

**2. FORWARD PLAN**

- 2.1 This report contains a recommendation on a key decision that was first notified to the public on the Forward Plan in August 2012.

**3. BACKGROUND**

- 3.1 The District Council owns freehold land HD498282 off Templars Lane, Preston. This comprises open grassland of around 3.1 acres let to a local farmer for grazing purposes and a play area of approximately 0.8 acres let to Preston Parish Council. This report relates to only 0.7 acres of the grassland as identified by the outline on the attached plan.
- 3.2 Subject to planning Howard Cottage Housing Association are proposing to build affordable housing on the 0.7 acre land for shared ownership and social rent tenure.
- 3.3 The District Council's Housing Development Liaison Officer advises that in accordance with its Rural Housing Needs Policy of the Local Plan development is dependent upon identifying a local need for housing. In 2010 a rural housing needs survey was undertaken in Preston Parish in partnership with Preston Parish Council and the Community Development Agency. The Community Development Agency's report has identified a need for affordable housing units in the local area.
- 3.4 The District Council's Housing Development Liaison Officer informs that Preston Parish Council is keen to work with a Registered Housing Provider to facilitate development of affordable housing. Howard Cottage Housing Association has been working with Preston Parish Council to identify a suitable site. The site 0.7 acre site is favoured by the Parish Council.
- 3.5 The land is designated as an Exception site. Exception sites can be developed for affordable housing as an exception to normal policies of restraint in the rural areas and green belt where there is a proven local need for affordable housing. The Liaison Officer advises that for Preston Policy 6 Rural Areas beyond the Green Belt under the Local Plan is applicable.

- 3.6 At a meeting of Cabinet on 1 November 2012, the decision was made to declare the site surplus to the Council's requirements and to dispose of the land at less than market value to Howard Cottage Housing Association subject to consultation with Southern Rural Committee raising no substantive objections to the proposal. At that meeting Members requested that the Ward member for Hitchwood, Offa & Hoo (which includes Preston) and Preston Parish Council be informed of the proposals.

#### **4. ISSUES**

- 4.1 The District Council has been able to deliver some affordable housing through planning policy and resulting Section 106 agreements. However, this has become increasingly difficult in the current economic climate due to the decline in house building.
- 4.2 Howard Cottage Housing Association has discussed their outline proposals with Preston residents during a village meeting at Preston Parish Council on the 23 May 2012. There were 44 attendees at the meeting. Apart from one person, everyone submitted a response. HCHA's analysis of the responses revealed that 39 supported affordable housing in principal and 4 did not support it.
- 4.3 The Parish Council confirmed at a meeting on 31 October 2012 that it would like Howard Cottage Housing Association to provide 5 houses of shared ownership tenure and 1 house for social rent.
- 4.4 It is proposed that the freehold of the 0.7 acre site is disposed to Howard Cottage Housing Association to facilitate the provision of affordable housing.

#### **5. LEGAL IMPLICATIONS**

- 5.1 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.
- 5.2 The Contract Procurement Rules and specifically Appendix I apply to the sales of land or property. If disposal of this land proceeds, the Officers seeking to market and dispose of the land would be required to do so within the remit of the Contract Procurement Rules.
- 5.3 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.
- 5.4 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.
- 5.5 There may be specific legal implications relevant to the sale of the property e.g. covenants on Title, easements and third party rights.
- 5.6 The New Homes Bonus is paid through Section 31 of the Local Government Act 2003 as an un-ringfenced grant.

- 5.7 Section 25 of the Local Government Act 1988 gives consent for the disposal of land to registered social landlords at less than market value for the development of housing, other than housing for outright sale. Provisions would be put in place requiring the development to be completed within 3 years and also include additional provisions with regard to future use. In this instance the recommended mechanism for restricting development on the land is to impose a requirement on the buyer to make an additional payment (known as an Overage payment) to the Council in the event that the land is used for anything other than affordable housing.

## **6. FINANCIAL AND RISK IMPLICATIONS**

- 6.1 As with previous land disposals to registered social housing providers, the price will be discounted to allow for the provision of full nomination rights.
- 6.2 If the land is disposed of at less than market value, this will mean a smaller capital receipt for the District Council. However, the proposed disposal will support Howard Cottage Housing Association to deliver an affordable housing scheme to meet the identified local affordable housing need for Preston.
- 6.3 If the sale of the land at less than market value does not proceed, there is a risk for the Council of an adverse impact on its ability to deliver affordable housing for local people.
- 6.4 Potential risks identified with the project include planning consent being withheld and failure to obtain total funding for the project.
- 6.5 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.
- 6.6 Central Government will provide New Homes Bonus funding for six years on the basis of the national Band D average. Currently this is split 80% to the District Council and 20% to the County Council, with an additional £350 per year to the District for each affordable home. Assuming six affordable homes were provided, this would generate New Homes Bonus to NHDC of around £9,000 per annum.

## **7. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS**

- 7.1 The views of Southern Rural Committee are being sought at this meeting. Cabinet also requested that the Ward Member for Hitchwood, Offa & Hoo (which includes Preston) and Preston Parish Council be informed of the proposals.

## **8. HUMAN RESOURCE AND EQUALITIES IMPLICATIONS**

- 8.1 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.

8.2 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.

8.3 There are no human resource or equality implications arising from this report.

## **9. RECOMMENDATIONS**

9.1 That, as part of the consultation process, Southern Rural Committee gives its views on the proposal to sell the 0.7 acre site off Templars Lane, Preston at less than market value to HCHA.

## **10. REASONS FOR RECOMMENDATIONS**

10.1 To facilitate the provision of new affordable social housing through the use of Council-owned land.

## **11. LOCATION PLAN**

11.1 Plan attached for identification purposes only.

## **12. REPORT AUTHOR**

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## **14. BACKGROUND PAPERS**

14.1 Land Registry freehold Title Number HD498282.  
Cabinet 1 November 2012.