

Executive – 10 September 2009

PROPOSED TRANSFER OF LAND USED FOR ALLOTMENTS AT MALBOROUGH TO HASTOE HOUSING ASSOCIATION AND RELOCATION OF THE ALLOTMENTS TO LAND ADJOINING THE SITE.

Report of Head of Property Services

Statutory Powers: Local Government Act 1972

Financial Implications: The Council will forsake a potential capital receipt in the region of £30,000.

Purpose

To seek approval for the disposal of the Council's allotment site at Malborough to Hastoe Housing Association to enable the delivery of 15 affordable homes for local people.

RECOMMENDATION

That the Executive RESOLVES that the land is disposed of at a nominal consideration of £1 to Hastoe Housing Association to be developed for affordable housing for local people, subject to the granting of planning permission.

Background

1. In March 2007 a Parish Housing Needs Survey, prepared by Rural Community Council for Devon, indicated that 21 households with a local connection to Malborough had a need for affordable housing. Following the survey and working in consultation with Malborough Parish Council a site search was undertaken. Out of a possible 8 sites that were identified for further investigation and assessment, the allotment site, which is owned by the Council, was agreed as the most suitable and available option for a local needs affordable housing scheme. A public consultation event took place on 16th September 2008 at Malborough village hall and was attended by the council's Housing Enabling and Strategy Officer and the Rural Housing Enabler. The residents that attended were very positive about the benefits that such a development would have on Malborough.
2. The site is immediately adjacent too, but outside of the current development boundary and would therefore be considered to be a Rural Exception Site as defined in policy AH5 of the Affordable Housing Development Plan Document.
3. The allotment site at Malborough (Appendix A – site location plan) is approximately 0.44 hectares (1 acre). The development is to provide 2 one bedroom houses, 8 two bedroom houses and 5 three bedroom houses (Appendix B – proposed layout).
4. Hastoe Housing Association has been selected as the developer for this project as it is one of the Council's preferred development partners who specialise in providing rural affordable housing.

Financial Implications

5. As the site is outside the development boundary the site has limited value, with acceptable uses being either agricultural land or pony paddock, which might attract a capital receipt in the region of £10,000 - £30,000. If the site were in private ownership and had the benefit of a planning consent for an exception site the value range would increase to £75,000 - £120,000 (based on the convention of approximately £5,000 - £8,000 per plot) dependant on site specific conditions, building specification and number of units. However the Homes and Community Agency (HCA), who provide grant funding to Social Registered Landlords, are increasingly seeking Local Authority investment in new affordable housing schemes. Where land is owned by a local authority there is an expectation this is provided at a nominal value. This effectively means that this land in the Council's ownership is not capable of realising a higher development value over the £30,000 stated above. Should the Council seek to secure a capital receipt, this would directly increase the overall scheme costs which in turn would increase the grant requirement above the levels likely to be supportable by the HCA.

Other Implications

6. The allotment site currently let to Malborough Parish Council will be relocated to adjoining land which the Parish Council will directly lease from a neighbouring farmer. This land has recently been fenced and a temporary roadside access created in preparation for a phased transfer for the allotment holders. Malborough Parish Council will surrender their current allotment tenancy back to the Council to enable a vacant possession transfer to Hastoe Housing Association.

Risk Assessment.

The following are the risks and opportunities identified:

Opportunity	Issues / Obstacles	Benefits
The proposed land disposal provides an opportunity to support an affordable housing scheme for local people in an area of high need.	If Executive resolves that the land should not be disposed of to Hastoe Housing Association, then the viability of this affordable housing scheme could be placed in jeopardy and the scheme could fail.	The proposal provides a timely opportunity to support an affordable housing scheme for local people and contributes significantly to the Council's corporate priorities.

Conclusion

7. In considering the need for affordable housing for local people, it is recommended that Executive approve the land to be disposed of for the nominal sum quoted, to Hastoe Housing Association subject to the granting of planning permission.

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Executive
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James Stubbs
Head of Property Services

Background Documents:



Malborough - Site
Location



Malborough -
Proposed Layout