

Committee: COMMUNITY

Agenda Item

Date: 15 March 2007

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Title: HOUSING POLICY LAND DISPOSAL

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Item for decision?

Summary

- 1 This report advises Members of the current position relating to sites in Hatfield Heath and Birchanger. Officers have been working in partnership with Registered Social Landlords (RSLs) over scheme design proposals for the land at Broomfields in Hatfield Heath. In order to make the scheme more affordable and enable officers to negotiate nomination rights it is proposed that the land is transferred at nil or affordable housing value to the preferred RSL. This would equate to the Council's contribution to the scheme.
- 2 Officers have also discussed the feasibility of using sites at Birchwood in Birchanger with RSL partners for social housing. As a general principal RSLs are not in favour of developing such small sites due to the high costs involved and a scheme for these sites is indeed proving to be too expensive for a RSL to proceed with. Consequently Officers are seeking agreement to sell these sites for private development.

Recommendations

- 3 That the site at Broomfields be transferred to a RSL at nil or affordable housing value for the development of affordable housing for rent subject to planning consent and successful Housing Corporation bid for funding.
- 4 That the two smaller sites at Birchwood be sold on the open market subject to planning consent. The sale would also be subject to a guideline price specified by the District Valuer and in accordance with the Council's Standing Orders.

Background Papers

- 5 The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.
 - Housing Strategy Statement
 - Housing Needs Survey
 - Reports and Minutes to Health and Housing Committee 2005, Community Committee 2006/07 and Housing Strategy Working Group 2005/06

Impact

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Communication/Consultation	Communication/consultation has taken place
Community Safety	Safety needs to be considered if building goes ahead
Equalities	Equality and diversity is a key issue for the Council with regards to housing provision
Finance	Will impact on the Capital programme
Human Rights	n/a
Legal implications	Required relating to property issues
Sustainability	Will encourage the development of a stable and sustainable local community
Ward-specific impacts	Hatfield Heath, Birchanger
Workforce/Workplace	Significant project for the planning and housing policy team

Situation

- 7 In the past the Council has agreed to dispose of land to RSLs at less than open market value to ensure the continued delivery of affordable homes in the district. As background, the Housing Corporation has developed a Grant Index (GI) to quantify certain value for money aspects of the scheme. The GI measures the relative cost of grant per home which provides a key value for money measure for each scheme and takes into account factors which ensure an equality of outcomes between different bidders and different schemes. A lower GI represents better value for money. If the land is transferred at nil or affordable housing value, the scheme will gain a lower GI, be seen to represent better value for money by the Housing Corporation and be more likely to gain grant funding for affordable housing for rent.

- 8 The Council does not have sufficient Capital resources to fund the proposed development for the site at Broomfields. Therefore if the land is not transferred to a RSL the Council will be left with a vacant site which is only likely to attract vandalism compounded by a failure to meet local housing needs. If it is used for new affordable housing it will contribute towards one of the Council's priorities. In addition transferring the land at nil or affordable housing value is perceived by the Housing Corporation as the Council's commitment to the scheme as a corporate priority.

Financial Implications

Broomfields Site

It should be noted that the disposal of any housing property will be subject to pooling arrangements. Whilst any pooling of non-RTB receipts can be reduced by way of a Capital Allowance any discount given to the RSL on the land value would equate to an equivalent hole in the Council's capital funding on a regeneration project such as Vicarage Mead.

If the Council were to transfer the land at affordable housing value rather than nil value, it would still keep down costs but it would also secure some capital for the Council.

Birchwood Sites

The Council are under a statutory obligation to obtain the best price for land sold on the open market. Officers are of the opinion that obtaining planning consent and selling the plots as residential building land can best achieve this outcome. Planning applications would have to be submitted to establish whether the land has development potential. In view of high land prices the receipt to the Council could be significant and would help to offset any discount given to the RSL for land at Hatfield Heath. The receipt could be used as a Capital Allowance towards an affordable housing scheme or regeneration scheme elsewhere in the district.

If the Committee were minded to approve the sale of these sites it would be on the understanding that any sale would be subject to a guideline price specified by the District Valuer and in accordance with the Council's Standing Orders.

Environmental Implications

The proposal will transform derelict sites and in the case of Hatfield Heath will provide much needed affordable housing for rent on previously developed land. It will also encourage the development of a stable and sustainable local community.

Risk Analysis

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Risk	Likelihood	Impact	Mitigating actions
Hatfield Heath The Council will fail to meet local housing needs.	High	High	The land at Hatfield Heath is transferred at nil value to the preferred RSL

Birchanger The Council will be left with vacant sites which are only likely to continue to attract fly tipping and vandalism	High	High	The Land at Birchanger is sold on the open market.
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