

Committee: Housing Board

Date:

Title: Purchase of Development Site Thaxted Road
Saffron Walden using the Housing Revenue
Account

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**Report
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Summary

1. This report details a proposal to purchase a development site in Saffron Walden, through the Housing Revenue Account (HRA) from Uttlesford District Council (UDC) General Fund.

Recommendation

2. Housing Board recommends that the development site in Thaxted Road Saffron Walden is transferred from the General Fund to the Housing Revenue Account for the consideration of £1.02million, subject to planning permission being secured for a scheme suitable for affordable housing

Financial Implications

3. Detailed in report.

Background Papers

4. HRA business plan

Housing Asset Management and Development Strategy

Impact

5.

Communication/Consultation	If the proposal proceeds this will be communicated to the local community
Community Safety	N/A
Equalities	Transfer of the site to the HRA to enable the delivery of council housing is consistent with the budgets for 2018-19 and 2019-20. These budgets have been informed by an EQIA. It would not divert HRA funds from adaptations for tenant households with a disability. The detailed design of scheme to be delivered as part of the development

	programme for council housing will be informed by consideration of the equalities implications of alternative options. Allocations of tenancies to the new homes would be in accordance with the council's allocations policy, which has also been informed by an EqIA.
Health and Safety	N/A
Human Rights/Legal Implications	N/A
Sustainability	N/A
Ward-specific impacts	Saffron Walden
Workforce/Workplace	Housing Development, Finance and Legal teams will need to allocate time to deliver the project

Situation

6. The opportunity has arisen for the HRA to fund a development site on Thaxted Road Saffron Walden, which could add up to 16 -18 new properties to the council's housing stock.
7. The HRA Business Plan is a part of the council's medium-term financial planning and is updated after completion of each quarterly Pooling Return submitted to DCLG. The HRA would fund the purchase of the land and build costs for this scheme from a mixture of Right to Buy (RTB) receipts and borrowing. RTB receipts need to be spent within agreed timescales so that they do not have to be returned to government with interest. The Government has recently removed the HRA borrowing cap from some stockholding authorities to enable accelerated delivery of more affordable homes in high value areas.
8. An independent valuation of the site has been carried out using the existing planning application proposals. The valuation has indicated that land prices in this area are between £3.5m and £5.5m per hectare. This site is 0.3 hectares and its location, next to a retail area, geographical layout and known contamination would put this site at the bottom range of this valuation. With these factors in mind the agreed price is £1.02m
9. Buying and developing this site would not only bring a Saffron Walden brownfield site into use, it would also increase the council's housing stock and ensure that best use can be made of RTB receipts in replacing stock lost through the RTB scheme.

10. There is a current planning application that has been submitted for this site. This will require some revisions to make the proposed properties suitable for affordable housing. The transfer of the site will however depend on a suitable planning permission being obtained.

Risk Analysis

10.

Risk	Likelihood	Impact	Mitigating actions
Not spending RTB receipts within the timescales agreed with government	3 Strong - although the HRA has a development programme, a spike in RTB sales last year has generated receipts that need to be spent on development land.	3 RTB Monies would have to be returned to government with interest which would constrain the HRA development programme	Identify development sites for purchase to enable future delivery of schemes providing further opportunities for the use of RTB receipts under a forward plan
Planning permission is not secured for an appropriate scheme to meet affordable housing needs	2 Objections have been received to the submitted scheme from statutory consultees. These will need to be resolved, but do not raise matters of principle.	2 The transfer would not go ahead	Identify development sites for purchase to enable future delivery of schemes providing further opportunities for the use of RTB receipts under a forward plan

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.