

Committee:	Cabinet	Date:
Title:	Appropriation of Land at Thaxted Road Saffron Walden	Monday, 15 July 2019
Portfolio Holder:	Cllr Neil Hargreaves, Portfolio Holder for Finance and Budget	
Report Author:	Judith Snares – Housing Strategy and Operations Manager jsnares@uttlesford.gov.uk	Key decision: Yes

Summary

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

Recommendation

2. Cabinet is requested to approve the appropriation from UDC General Fund by the HRA of the development site in Thaxted Road Saffron Walden for £1.02million, subject to the granting of planning permission for an affordable housing scheme

Financial Implications

3. The transfer of money in respect of the appropriation and development of the site will be funded from a mix of available Right to Buy (RTB) receipts and HRA borrowing. For the purposes of the asset register, the site is currently valued at £65,000 reflecting its disuse, and very poor condition. This value does not take into account any potential for it to be combined with adjacent land for redevelopment. With the benefit of planning permission, the asset records anticipate that its value would increase significantly.

Background Papers

4. 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:

HRA business plan

Housing Asset Management and Development Strategy

Corporate Asset Register

Impact

5.

Communication/Consultation	Saffron Walden
Community Safety	N/A
Equalities	Appropriation of the site to HRA purposes 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 EqlA. 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 EqlA.
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 appropriate from the council's General 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 land was transferred to the council in 1974 as part of local government reorganisation when it received the assets of the constituent predecessor councils. It had been used and continued to be used in relation to waste management functions. This activity ceased many years ago and the land is not currently in active use. Its potential use as a heritage quest centre linked to the museum service was explored more than ten years ago but an alternative project for a museum store in the Shire Hill council depot was progressed instead. More recently, its use for housing under various housing tenures has been investigated in the context of both meeting housing needs and potential

revenue generation for the council. It is clear that the council no longer needs the site for its original purpose.

8. 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 appropriation of the land and build costs for this scheme from a mixture of Right to Buy (RTB) receipts and borrowing. RTB receipts can only be applied to build costs, not the transfer of funds to the General Fund. 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.
9. 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 site has been valued at £1.02m.
10. Appropriating and developing this site for housing use 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.
11. The current planning application that has been submitted for this site will require minimal alterations to make the proposed properties suitable for affordable housing. The appropriation of the site will however be subject to planning permission being granted for an affordable housing scheme.
12. This matter was discussed at Housing Board in March 2019 where it was agreed that this proposal should go forward to Cabinet.

Risk Analysis

10.

Risk	Likelihood	Impact	Mitigating actions
Not using RTB receipts on replacement housing 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	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

	replacement housing		
Planning permission is not secured for an appropriate scheme to meet affordable housing needs	2 The planning application submitted will have been widely consulted on including pre planning application advice	2 The purchase 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