

TITLE OF REPORT : DISPOSAL OF AMENITY AND ALLOTMENT LAND AT THE REAR OF ELMTREE AVENUE COCKERNHOE TO FACILITATE A PROPOSED HOUSING REDEVELOPMENT BY NORTH HERTS HOMES LIMITED

REPORT OF THE HEAD OF FINANCIAL SERVICES
PORTFOLIO HOLDER: COUNCILLOR TERRY HONE

1. SUMMARY

- 1.1 To seek Cabinet's approval to the disposal of Council owned land at the rear of 25 to 53 Elmtree Avenue, Cockernhoe.

2. FORWARD PLAN

- 2.1 This report does not relate to a key decision included it in the Council's Forward Plan.

3. BACKGROUND

- 3.1 North Hertfordshire Homes Limited (NHH) propose to demolish 24 statutorily defective Unity PRC houses in Elmtree Avenue Cockernhoe and to redevelop the site to provide a total of 34 dwellings as follows:-

Two x 1 bedroom 2 person maisonettes,
Six x 2 bedroom 4 person bungalows,
Eight x 2 bedroom 4 person houses,
Sixteen x 3 bedroom 5 person houses
Two x 4 bedroom 6 person houses.

- 3.2 In order to facilitate this redevelopment and to improve land utilisation, the proposed scheme includes two small parcels of Council owned land located at the rear of 25 to 53 Elmtree Avenue. These currently accommodate a number of disused allotments and a grass playing field surrounded by trees, bushes and a chain link fence.
- 3.3 Appendix A to this report outlines the extent of the 24 defective dwellings to be demolished and the adjoining Council owned land.
- 3.4 Planning permission for the proposed scheme, as outlined at Appendix B, has been granted subject to NHH entering into a formal Section S106 Agreement. However, this cannot be signed until the Association has purchased the adjoining Council land which is required to achieve the proposed redevelopment layout.
- 3.5 Under the terms of the proposed Section 106 Agreement, NHH will provide a more centrally located public open space comprising a community village garden and a new village hall.

4. ISSUES

- 4.1 The proposed land sale presents a further opportunity for the Council to make use of land held in advance of need to support the provision of additional and improved housing whilst at the same time securing a number of added community benefits.
- 4.2 The proposed scheme for which planning approval has been given will realise improved land use arrangements and achieve a long term solution to the problems associated with the Unity defective dwellings currently located on the site.
- 4.3 As will be apparent from paragraph 5.2 of this report, the land to be sold to NHH was acquired for the provision of housing or purposes ancillary thereto. Use of the land to support the proposed development therefore accords fully with its restrictive use covenant.

5. LEGAL IMPLICATIONS

- 5.1 Section 25 of the 1988 Local Government Act permits the disposal of land to registered social landlords at less than market value for the development of housing, other than housing for outright sale.
- 5.2 Part of the land proposed for sale to NHH is marked as a playing field i.e. an open space. For the purposes of complying with Section 123 of the Local Govt. Act, 1972, the disposal of this land will be advertised for two consecutive weeks in a local newspaper and consideration given to any objections received.
- 5.3 It is also appropriate to note that the conveyance dated 22 September 1945 relating to acquisition of the subject land by Hitchin Rural District Council included a covenant restricting its use to the erection of houses under the Housing Acts or purposes ancillary thereto.

6. FINANCIAL AND RISK IMPLICATIONS

- 6.1 The price to be paid by NHH in this instance is still the subject of negotiation, but is estimated to be in the order of £600,000. However, as with previous disposals to RSL's, the price will be discounted by 50% to allow for the provision of full nomination rights and the following additional factors:-
 - (a) The landlocked nature of the Council's land and
 - (b) Costs to be incurred by NHH in providing the proposed community garden and new village hall relative to standard Section 106 charges for each new dwelling.
- 6.2 Current practice with land transfers to registered social landlords such as NHH, is disposal in a range of £10,000 to £30,000 per residential plot while average values of support towards RSL development in the region is currently £43,000 per plot and rising. The estimated 50% discount of £300K to facilitate the provision of ten additional units accords with the average support provided.

7. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS

- 7.1 The Council's Asset Disposal Strategy, approved in July 2004, sets out that consultation should follow the following process; *"the relevant Ward Member(s) will be consulted on any proposals and consideration be given to wider community consultation. Following consultation a report on the officers recommendations will be presented to the appropriate Area Committee for their views before seeking approval from the relevant delegated Member or Committee"*.
- 7.2 Other than the requirement to advertise the Council's intention to dispose of the land, consultation with outside organisations is not necessary. The Ward member

for Cockernhoe, Councillor Barnard has been informed about the issues covered in this report and has indicated his agreement to the principle of what is being proposed.

- 7.3 The proposed land sale is being reported to the Southern Rural Area Committee on the 12th June and its views will be reported orally at the Cabinet meeting.

8. HUMAN RESOURCE AND EQUALITIES IMPLICATIONS

- 8.1 None

9. RECOMMENDATIONS

- 9.1 That Cabinet declares the Council owned land identified in Appendix A as being surplus to requirements so that it can be disposed of to North Hertfordshire Homes Limited on the terms outlined in this report.

10. REASONS FOR RECOMMENDATIONS

- 10.1 To facilitate the provision of new social housing and community facilities through the use of Council owned land that might otherwise remain of limited benefit to the community.

11. APPENDICES

- 11.1 Appendix A - Plan of housing redevelopment site and adjoining Council owned land
Appendix B – Approved scheme plan

12. REPORT AUTHOR

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14. BACKGROUND PAPERS

- 14.1 Approved scheme drawings and land holding records.

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