

<b>*PART 1 – PUBLIC DOCUMENT</b>	<b>AGENDA ITEM No.</b>  <b>20</b>
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**TITLE OF REPORT: PROPOSED ARRANGEMENTS FOR DISPOSAL OF COUNCIL OWNED HOUSING LAND AT LLOYD WAY, KIMPTON TO NORTH HERTFORDSHIRE HOMES LIMITED**

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

**1. SUMMARY**

- 1.1 The purpose of this report is to seek Cabinet's approval to the method of disposal of the Council's remaining undeveloped housing land in Lloyd Way, Kimpton to North Hertfordshire Homes Limited.

**2. FORWARD PLAN**

- 2.1 This report does relate to a key decision included it in the Council's Forward Plan in June 2008.

**3. BACKGROUND**

- 3.1 At the time of Local Government Reorganisation in 1974, the Council owned several acres of designated housing development land at the rear of 115-151 High Street, Kimpton.
- 3.2 Shortly after North Hertfordshire District Council came into being its Housing Committee implemented the first phase of housing development on the site comprising a sheltered scheme of flats for the elderly (Probyn House) and a small cluster of general needs houses. This phase was completed in about 1976 and the intention was that later phases would follow on shortly afterwards. However, because of other priorities, later phases of the site's development did not take place until after the early nineties, by which time the Council had ceased building houses for retention within its own housing stock. Consequently, subsequent development phases, all of which were relatively small and comprised mostly elderly persons bungalows for rent, were completed by Howard Cottage Society under an arrangement whereby the land was transferred at a discounted price in return for nomination rights.
- 3.3 Approximately half of the site still remains undeveloped and consent that the land was surplus to requirements and could be disposed of for housing development was given on the 13<sup>th</sup> July 1999, minute 48(3). Until late last year the intention was that this would be sold on the open market to raise funds to support the Council's capital programme. More recently, however, North Hertfordshire Homes Limited (NHH) have approached Council officers with a view to purchasing the whole of the land at open market value.
- 3.4 The reason for the Association's interest in the land is the need to replace the Probyn House sheltered scheme with modern homes that will be more suited to the needs of the local community. The availability of a site immediately next to Probyn House would therefore afford them the flexibility to close Probyn House once appropriate new housing has been developed on this site.

#### **4. ISSUES**

- 4.1 The fundamental difference between this disposal and the disposal of other Council land for development by housing associations is that NHH would develop what they need to for the provision of much needed social housing and any remaining land be used to facilitate the development of housing for market purchase.
- 4.2 Clearly, the Council could just sell to NHH what the association needs for the re-provisioning of new social housing accommodation and then sell the balance on the open market. However, providing a full market price can be agreed upon and independently ratified, the proposal put forward by NHH offers a much quicker and simpler solution to what could otherwise become a difficult and time consuming land disposal process.
- 4.3 Notwithstanding the efficiency of a sale of all the land to NHH, the key advantage to this proposal is the manner in which it would facilitate provision of new and more comfortable alternative accommodation for residents of Kimpton.
- 4.4 Any further housing development by NHH beyond that required to provide alternative accommodation for the residents of Probyn House will be designed to meet the needs identified by the recent Parish housing needs survey. Likewise, any balance of land used by NHH for private development will also be subject to the usual requirements with regard to the provision of a proportion of affordable housing to meet local needs.
- 4.5 The village drainage and water pressure problems highlighted by the Parish Council during the land sale consultation process completed in September 2007 have been raised for consideration as part of the detailed design of any further development on the site.
- 4.6 Subject to approval of the proposed land sale by Cabinet at its 24<sup>th</sup> June meeting, NHH have provided the following outline programme for completion of the homes to be constructed for the residents of Probyn House.

<b>Programme Element</b>	<b><i>Projected Completion Date</i></b>
Scheme Design	October 2008
Planning Approval	January 2009
Construction Tenders	April 2009
Start on site by	June 2009
Phased completions	to be determined
Overall Project Completion	November 2010

#### **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. However, in this instance the proposal is to dispose of the land at full market value in accordance with the general rule under the Local Govt. Act 1972, section 123 which stipulates that a council shall not dispose of land for a consideration less than the best reasonably obtainable.

- 5.2 The provisions of the Council's Contract Procurement Rules, Appendix E permits land disposals by private treaty subject to all valuations and negotiations being carried out by or under the supervision of a qualified member of the Royal Institution of Chartered Surveyors and an experienced surveyor. It is however, also intended to seek external professionally qualified confirmation of the negotiated price prior to completion of the proposed transaction.
- 5.3 Under Section 123 of the Local Govt. Act, 1972 to the extent (if any) that the land forms part of open space the intention to sell must first be advertised for two consecutive weeks in a local newspaper and consideration given to any objections received. This exercise was completed in September 2007 as outlined in paragraph 7.2 of this report.

## **6. FINANCIAL AND RISK IMPLICATIONS**

- 6.1 The remaining Council housing land in Lloyd Way Kimpton has already been declared surplus to requirements and identified as a site for disposal on the open market at full market value which is currently valued in excess of £2.5 million. The proposal set out in this report will enable this objective to be achieved and at the same time assist the provision of an important element of social housing within the village.
- 6.2 The effective management of the disposal of land and property assets to assist the Council's capital programme is registered as a top risk.

## **7. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS**

- 7.1 Full consultation on the general proposal to dispose of this land on the open market was completed in September 2007. This involved advertising the proposed disposal for two consecutive weeks in the local papers. Arising from those advertisements, the Council received representations from the Parish Council concerning the implications the proposed development of the land would have on the drainage and water pressure problems being experienced in the village. A further representation was received concerning the loss of affordable accommodation arising from the demolition of Probyn House. Both these issues are addressed in paragraphs 4.4 and 4.5 of this report.
- 7.2 The proposed land disposal arrangements set out in this report are being reported to the Southern Rural Area Committee on the 12<sup>th</sup> 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 approves the disposal of the remainder of the Council's housing land in Lloyd Way, Kimpton to North Hertfordshire Homes Limited by private treaty in accordance with the requirements of Appendix E of the Council's Contract Procurement Rules.

## **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 .

## **11. APPENDICES**

- 11.1 None  
CABINET (24.6.08)

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**14. BACKGROUND PAPERS**

14.1 Asset Papers.