



REPORT TO: Cabinet
LEAD OFFICER: Director of Housing

13 July 2017

Sale of land off Station Road, Foxton

Purpose

1. The purpose of this decision is to approve the option for the sale of Council-owned land identified as Option 1 on the attached Plan 'A' and a further option for the sale of garden land at no.31 Station Road (identified as Option 2) on the attached Plan 'B'.
2. This is not a key decision but has been brought before Cabinet in accordance with paragraph 1.4.1. of the Delegation Rules of the Constitution which states that '*Where a proposed decision of a portfolio holder is not supported by any local member, the matter should be referred to a meeting of the Executive, where the local member(s) would have the right to speak*'.

Recommendations

3. It is recommended that the Decision maker approves

Option1: the sale of land identified on Plan 'A' (access land) for the price of £200,000. This will include an overage clause to secure a further capital receipt of 50% of the uplift if further development was granted. Heads of terms to be agreed by the Head of Housing Strategy.

And

Option 2: the sale of garden land identified on Plan 'B' for the price of £5,000 subject to improvements to fencing and car parking for the tenant at no.31 Station Road. Heads of terms to be agreed by the Head of Housing Strategy.

Reasons for Recommendations

Option1: The Council has no legitimate use of the access land. The sale price of £200,000 will support the Council's Housing Revenue Account (HRA) to invest into affordable council homes. As well as providing a capital receipt for land that is not used, the access will facilitate a development of up to 22 homes, of which 9 will be affordable homes. The provision of affordable housing is a key priority for the Council. Planning Permission has already been granted for this development of up to 22 homes. If further permission is sought to increase the number of homes facilitated by the access, a further capital receipt of 50% of the uplift would be secured to invest within the HRA.

Option 2: In selling the additional garden land, this would enable the access to be widened enabling the road to be brought up to an adoptable standard, which would reduce maintenance costs for tenants and residents of the new development.

The tenant at no.31 Station Road is happy to release the garden land and has been fully consulted on this option.

The sale price of £5,000 for the garden land will provide an additional capital receipt to the Housing Revenue Account.

Background

4. Endurance Estates have, with the landowners Goreway Holdings, obtained outline planning permission for 22 residential units on the development site in accordance with Plan 'C' attached [planning ref: S/2148/16/OL]. Prior to the application, the Council agreed in principle to sell land to create an access to the scheme, in accordance with the HRA Asset Sustainability Policy (Disposals and Acquisitions). The 'in principle' decision is purely based on making best use of the Council's land and maximising affordable housing. The reasons for agreeing an 'in principle decision' were:
 - The District Council has no legitimate use of the access land
 - Proposed scheme would provide 9 affordable homes
 - Sale of land would provide a financial benefit to the Council
 - Added benefit to the area by way of re-provision of car parking required
 - Better access to the rear of the properties at Station Road which includes access to Council properties
 - Creation of public open space that could benefit existing Council tenants.
5. An independent valuation has been carried out and suggests a sale price for the land (Option 1) of £200,000.
6. At the time of the 'in principle' decision the Council was unwilling to pursue further negotiations with the tenant on release of the garden land as it was felt that to do so might be construed as actively supporting the development. As landlord, the Council should not have an influence on planning matters which are to be determined by Planning Committee.
7. Following the grant of outline permission Endurance Estates has approached the Council requesting that further consideration be given to selling the additional piece of garden land relating to no.31 Station Road to facilitate the widening of the access road. The current tenant is supportive of the proposal and happy to release the land subject to the developer making good the fencing and improved parking arrangements. Concerns have been raised by the Parish Council that the release of further land to widen the access could potentially open up further development possibilities. The Housing Department has given this careful consideration but believe this would be a matter to be determined by the Planning Department if future planning applications were made. The view of the Housing Department is that a widened access would enable the road to be brought up to an adoptable standard, which would reduce maintenance costs for both the private and affordable households of the new development. Having a wider access would prevent the build up of traffic alongside no.31 tenant's garden and advice from Highways suggests this would provide a better access road.

Based on the independent valuation, the sale of the garden land will realise a capital receipt for the Council of an additional £5,000. The Council will also seek an overage clause based on 50% of the uplift in plot value if further development took place, either within the curtilage of the current proposal or through the adjoining land owned by Goreway Holdings Limited.

Considerations

8. 4.6.2. of the HRA Asset Sustainability Policy (Disposals and Acquisitions) approved by Full Council in September 2013 states:

'The principle for considering such requests [land sales] shall be to maximise income on land that would otherwise generate little or no income for the HRA. Consideration shall be given to the loss of any community benefit, but this must be weighted against the financial benefit and the wider benefit of additional affordable housing (where applicable).'

Planning consideration should not be taken into account at the initial stage of negotiation to dispose of land. An 'in principle' decision to dispose shall be made on a commercial basis through negotiation between the developer, Director of Housing and the Housing Portfolio Holder. An independent valuation must be obtained and an indicative price agreed based on conditional options, such as a higher contribution of affordable housing, which shall be subject to the final planning decision. Issues with regards to the proposed development shall be considered as part of the planning process.'

9. The process for considering the disposal of land has been followed in accordance with policy. The Planning Committee considered the merits of the proposed development at their meeting on 7th December 2016 and resolved to grant outline planning permission for up to 22 dwellings. The decision of Cabinet is not, therefore, to reconsider the proposals of the development.
10. The sale of land identified on Plan A and Plan B would realise a significant capital receipt for the housing department to invest into affordable housing.
11. Following advice from an Independent Valuer, Officers have managed to negotiate best value for the land, with the sale price being at the 'top end' at 50% of the uplift.

Options

12. **Option 1:** To approve the option for the sale of land identified on Plan 'A' (access land) for the price of £200,000. This will include an overage clause to secure a further capital receipt of 50% of the uplift if further development was granted. Heads of terms to be agreed by the Head of Housing Strategy.

Reasons for Approval: The Council has no legitimate use of the access land. The sale price of £200,000 will support the Council's Housing Revenue Account (HRA) to invest into affordable council homes.

As well as providing a capital receipt for land that is not used, the access will facilitate a development of up to 22 homes, of which 9 will be affordable homes. The provision of affordable housing is a key priority for the Council.

Planning Permission has already been granted for this development of up to 22 homes. If further permission is sought to increase the number of homes facilitated by the access, a further capital receipt of 50% of the uplift would be secured to invest within the HRA.

13. **Option 2:** To approve the option for the sale of garden land identified on Plan 'B' for the price of £5,000 subject to improvements to fencing and car parking for the tenant at no.31 Station Road. Heads of terms to be agreed by the Head of Housing Strategy.

Reasons for Approval: This would enable the access to be widened enabling the road to be brought up to an adoptable standard, which would reduce maintenance costs for tenants and residents of the new development.

The tenant at no.31 Station Road is happy to release the garden land and has been fully consulted on this option.

The sale price of £5,000 will provide an additional capital receipt to the Housing Revenue Account.

14. **Option 3:** To refuse the sale of land (Option 1) at the recommended sale price of £200,000.

Reasons for Rejection: An 'in principle' decision has already been agreed to sell the land and the valuation of £200,000 is considered good value for money, achieving 50% of the uplift in value. A capital receipt of £200,000 would be invested into affordable council homes. If the Council decided not to sell the access land, it is likely that a development could still be achieved using an alternative access through land owned by Goreway Holdings. This would need further consideration by Planning Committee.

15. **Option 4:** To agree to the sale of land for the proposed access (Option 1) but refuse the sale of the additional garden land (Option 2).

Reasons for Rejection: The tenant is supportive of releasing the garden land. By widening the access this would enable the road to be brought up to an adoptable standard which would reduce maintenance costs for the new tenants and residents of the proposed scheme. The merits of widening the access and the views of the parish council should be a consideration by the Planning Department in determining any further planning applications for the scheme. The sale of garden land (Option 2) would achieve an additional £5,000 for the Housing Revenue Account, with the overage clause maximising the capital receipt if further development was achieved through planning permission.

Implications

16. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered: -

Financial

17. The sale of land would generate an income of over £200,000 for the Housing Revenue Account.

Consultation responses

18. The Parish Council and Local Member have been kept informed of the process for the sale of the access land and were informed of the 'in principle' decision to sell. A further meeting has been held with members of the Parish Council following the request to sell the additional piece of garden land relating to no.31 Station Road. Both the Parish Council and Local Member have raised their objections to the development of up to 22 dwellings and have voiced their concerns that a widened access could potentially open up land for further development.
19. Whilst the Housing Portfolio Holder is sympathetic to their concerns, it is felt that these relate specifically to planning matters. The Council, acting as landlord, should not have an influence on planning proposals which are determined by Planning Committee, where any objections should be taken into consideration.
20. The tenant of no.31 Station Road has been consulted as part of the process for considering the sale of the additional piece of garden land and she is fully supportive of the sale.

Effect on Strategic Aims

Aim 1 – Homes for our Future: Secure the delivery of a wide range of housing to meet the needs of existing and future communities

- i) By selling the land for the access relating to the proposed development, this will strengthen the partnership role of working with developers to help influence the pace of housing and infrastructure construction, including delivery of affordable housing.
- vi) The capital receipt will help to secure a viable future programme for our Council houses.

Background Papers

Where [the Local Authorities \(Executive Arrangements\) \(Meetings and Access to Information\) \(England\) Regulations 2012](#) require documents to be open to inspection by members of the public, they must be available for inspection: -

- (a) at all reasonable hours at the offices of South Cambridgeshire District Council;
- (b) on the Council's website; and
- (c) in the case of documents to be available for inspection pursuant to regulation 15, on payment of a reasonable fee required by the Council by the person seeking to inspect the documents at the offices of South Cambridgeshire District Council.

An independent valuation has been carried out by Roger Hannah & Co, Chartered Surveyors. This can be made available upon request.

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