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Mr J Latheron

Tel No: 01732 227235
Ask for: Lesley Westphal
Email: Lesley.westphal@sevenoaks.gov.uk
My Ref:
Your
Ref:
Date 5th April 2011

Dear Jim,

**Town and Country Planning Act 1990 (as amended)
Rural Exceptions Housing – Site at Filston Lane, Shoreham**

Further to our discussions on this matter, as requested, I set out below the planning policy situation in respect of the use of land at Filston Lane for the provision of affordable housing to meet local needs.

The site in question fronts onto Filston Lane and lies immediately adjacent to Mesne Way at the southern end of the village. I believe the District Council could support a Rural Exceptions housing scheme on this site – to comply with and meet the need for local affordable housing as identified within the 2005 Housing Needs Survey.

This site lies within the Metropolitan Green Belt and an Area of Outstanding Natural Beauty. The presumption on Green Belt land is against new housing development unless for agriculture or forestry purposes. Even then a sound economic and functional case has to be made to demonstrate that the accommodation is required for an agricultural worker in that particular location in association with a particular agricultural or forestry business. National Guidance (Planning Policy Guidance 2 'Green Belts'), Regional Guidance (The South East Plan) and Local Guidance (Sevenoaks District Local Plan and the Core Strategy) is quite specific that new housing within the Green Belt is considered inappropriate development unless either for agricultural or forestry purposes or if the land is identified as a rural exceptions site. This site therefore cannot be used for open market housing.

The Council has recently, through its Development Plan process (the Core Strategy) identified the location of new housing sites within the district which will meet the projected housing needs of the district for a period until 2026. It has also identified a hierarchy for new housing development. This site was not identified nor considered for new housing during that plan period. Increasingly central Government seeks to ensure that new development is provided in sustainable locations and it is not anticipated therefore, even at the end of the Local Plan period, that there would be

releases of land from the Green Belt around Shoreham to permit the development of open market housing. The Core strategy identifies that most new development should take place within the confines of the three main towns within the District (ie Sevenoaks, Swanley and Edenbridge). Shoreham is identified in policy LO7 as a village that may provide for a modest increase in residential development through infilling or modest re-development. However this is predicated upon the fact that such sites are located within the built confines of the village, not in the green belt.

Government guidance in Planning Policy Statement 3 'Housing' allows for small scale affordable housing to be provided through the use of a "rural exceptions site policy" and clarifies that rural exception sites should only be used for affordable housing in perpetuity. It identifies rural exceptions housing sites as *small, solely for affordable housing and on land within or adjoining existing small rural communities which would not otherwise be released for general market housing.*

Policy H3 of the South East Plan identifies a role in increasing affordable housing provision for small scale affordable housing schemes within or well-related to rural settlements, possibly including land which would not otherwise be released for development. Policy SP4 of the Core Strategy interprets this guidance at a local level stating that such sites will only be considered if:

- the local need cannot be met by any other means within or where appropriate in an adjacent parish
- the proposal is of a type to meet the local need identified and available at an appropriate affordable cost
- the site is considered suitable for such purposes by virtue of its scale, is close to available services and public transport and there are no overriding countryside, conservation, environmental or highway impacts.

The Council's approach to the consideration of rural exception sites is based on firstly assessing need, then searching for suitable sites and then supporting the development of an agreed scheme. The development of Green Belt land for rural exception sites will only be acceptable where there is evidence of a local need in the parish for affordable housing, identified through the needs survey that could not be met by developing non Green Belt land.

That is the relevant planning policy background to this site which I hope is helpful. At a practical level I can confirm that I have surveyed the village and its surrounding land to try and identify land that could provide for the affordable housing needed for Shoreham and I am happy to discuss that if need be to show how limited the options around the village actually are. Indeed this work has been ongoing for some time. There are no sites within the built confines of the village that could accommodate the housing required and in fact there are only very limited areas surrounding the village that could accommodate such housing. Factors such as flood plains, Conservation Areas, Landscape designations and proximity/access to the village all play a part in determining potentially suitable land. We also of course have to get the permission of the land owner and as you know that has been a difficulty and why in fact, so far, we have failed to get a scheme off the ground. I had hoped that since the Council owns this land, that this part at least would be easier – being unaware though of the redevelopment clause until recently.

I hope this is helpful and explains the planning side of this issue but if I can be of any further assistance on this I am more than happy to help and can be contacted by phone or email as detailed at the head of this letter.

Yours sincerely,

Lesley Westphal
Principal Planning Officer

<p>Private Market Rental Values September 2011</p>	<p>We have spoken with a number of letting agents who operate in the vicinity of Shoreham. We understand that the village is popular, with insufficient supply of rental stock to meet demand from prospective tenants.</p> <p>There is a scarcity of rental evidence in the village and in applying our Indicative opinion of the Private Market Rental Values to the proposed dwellings, we have given consideration to those comparables tabulated in Appendix 2.</p> <p>Our opinion of the current Private Market Rental Values of 8 proposed dwellings at the subject rural exception site, on the special assumption that they are built and completed, as at the date of our report, are as contained below:-</p>																																																																						
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<p>Illustrative Residual Appraisal</p>	<p>A copy of our illustrative residual appraisal is attached in Appendix 3, which should be self explanatory to Interpret</p> <p>Illustrative Appraisal - Assuming all 8 dwellings to be for Affordable Rented tenures, once built and completed.</p> <p>In summary, we have allowed for site acquisition costs, all inclusive build costs at £1575psm / £146psf due the absence of proposed plans, and finance costs. We have assumed that the dwellings will be built to Code 3 for Sustainable Homes.</p> <p>We have assumed a construction period of 10 months to complete the development.</p> <p>Our revenue figures for the Affordable Rented tenure dwellings have been established by adopting the weekly rental breakdown of the 80% of the Private Market Rental Values as contained above, which we have inputted into our discounted cash flow spreadsheet. We have as advised deducted the sum of £9 per week to account for service charges. We have, as advised, assumed voids at 1.75%, with maintenance costs, per unit, per annum of £400 from years 1 - 5, reverting to the sum of £800 per unit, per annum from year 6. We have also, as advised, assumed management costs at £400, per unit, per annum. We have applied a discount rate of 6%.</p> <p>We have assumed that no grant funding will be provided.</p> <p>We have not made an allowance for a Registered Provider's on-costs.</p> <p>Our appraisal indicates a site value of £25,000.</p> <p>Therefore, our opinion of the site value on the special assumption that the subject site benefits from planning permission for 8 affordable rented tenure dwellings to be built, with vacant possession, as at the date of our report is,</p> <p style="text-align: center;">£25,000 (Twenty Five Thousand Pounds)</p>
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Chartered Surveyors & Property Consultants

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J Latheron
Professional Services Manager
Sevenoaks District Council
Argyle Road
Sevenoaks
Kent TN13 1HG

8 May 2012

Dear Sir

Re: Land at Filston Lane, Shoreham, Sevenoaks, Kent

Further to your recent letter and subsequent email, we have since made contact with English Rural Housing Association to ascertain whether any inputs used in our calculation of the land value, as contained in our jointly addressed report to both them and yourselves, dated 8 September 2011 have altered, and we have now received confirmation from them that all inputs remain as detailed within that report.

We can therefore confirm that our opinion of value of the subject land (£25,000), which we understand will extend to 0.28 acres (when we carried out our valuation the exact land area was not precisely know) on the special assumption that the land is redeveloped as a Rural Exception site for the development of 8 residential properties, which once built and completed will be for affordable rented tenures, remains, as at the date of this letter.

We have been informed by yourselves that aside from a continuation of the land as farmland, the only alternative permitted use for the land by the Council, is as a Rural Exception site for affordable housing. On this restricted development basis, in our opinion the land value of £25,000 represents the best value that the Council would achieve, at the present time.

We hope the content of this letter is satisfactory; however, should you require any further amplification, then please do not hesitate to contact us.

Yours faithfully

Reviewed by

**Sarah E L Mason MRICS
Associate
For and on behalf of Cluttons LLP**

**David G Parry FRICS
Partner
For and on behalf of Cluttons LLP**



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FINANCE ADVISORY GROUP

Minutes of the meeting of the Finance Advisory Group held on 28 March 2012 commencing at 9.30 am

46. PROPERTY REVIEW - LOCAL HOUSING NEEDS, SHOREHAM

The Professional Services Manager explained that all land in Shoreham was investigated following a Parish Survey in 2005 which identified a need for affordable housing. The land defined in the report, which was owned by the Council, was considered as most appropriate.

The site would not normally receive permission for housing development, as it was agricultural land in the Green Belt, but it would become an exception site. The land would be sold to English Rural Housing as the rural housing association. The valuation report had put the value of the land at £25,000 but a condition of the original purchase by the Council meant that 50% of the receipts would go to the original vendor.

It was considered difficult to value the land as agricultural land was usually valued at £9,000-10,000 per acre whereas residential land would be between £1.5 million and £2 million per acre. A Member was concerned that the land had not been put on the market for valuation. The Officer suggested there was a limited market for this agricultural land which could only be used residentially by a Registered Social Landlord. The Homes and Community Agency advised against public bodies competing one Registered Social Landlord against another. The Officer agreed to see if the valuation wording by the agents, Cluttons, could be clarified to show the Council was getting best value.

The Officer had been informed that English Rural Housing would not sell the land completely but only rent it or give shared ownership up to 80%. It would be exempt from the Right to Buy. The Officer confirmed a condition could be added to the title of the land to ensure money was due to the Council should, in fact, the properties eventually be sold on.

A Member was concerned that Shoreham Parish Council may not have been consulted recently. The Chairman assured him that the land would not be transferred until all matters were satisfied, including consultation.

Resolved: It be recommended that the District Council dispose of its freehold interest in the land shown in Appendix A of the report to the English Rural Housing Association to enable the provision of 8 affordable homes for local people in the sum of £25,000 and subject to such terms and conditions deemed necessary by the Council's legal advisors to protect the District Council's interests.