

PROPERTY REVIEW – LOCAL NEEDS HOUSING, SHOREHAM

Finance Advisory Group – 28 March 2012

Report of the: Corporate Resources Director

Status: For Decision

Also to be considered by: Performance & Governance Committee June 2012 (provisional)
Cabinet July 2012 (provisional)

This report supports the Key Aim of

Effective Management of Council Resources

Balanced Communities

Community Plan Priority 11 – Providing affordable homes for local people

Portfolio Holder Cllr. Ramsay

Head of Service Head of Legal & Democratic Services – Christine Nuttall

Recommendation:

That the District Council dispose of its freehold interest in the land shown in Appendix A 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.

Introduction

1. In 2005 Shoreham Parish Council, supported by Sevenoaks District Council, asked the Rural Housing Enabler at Action with Communities in Rural Kent to carry out a housing needs survey in the Parish, to identify if there was a need for affordable housing for local people.
2. The results identified a housing need from 17 households and the Parish Council agreed that a small development of eight homes would go some way to meet this need. Such schemes are built on exceptions sites; this is land that would not usually receive permission for housing development. However the Sevenoaks Core Strategy Local Development Framework, Policy SP4 – Affordable Housing in Rural Areas, allows the provision of affordable housing to meet a proven need, provided the homes remain affordable in perpetuity and restricted to local people only.

3. The Parish Council, supported by officers from Sevenoaks District Council has been seeking to identify a suitable site on which a small local needs housing development could be built. From an initial site search it has been agreed that the most appropriate available site is in Filston Lane and the Parish Council has asked English Rural Housing Association (ERHA) to investigate the feasibility of developing eight homes on this site.
4. ERHA has provided the following information: "The Parish Council is very supportive of the project and whilst no formal consultation event has yet taken place it has been very open about its support for the site. An article recently appeared in the Parish Magazine updating the community on progress. The Parish Council has formed a working group of Councillors which has met with ERHA . It was agreed that should the sale of the land be agreed in principle, ERHA would hold an information event to discuss the proposal and seek comments from the wider community. ERHA is pleased to report unanimous support from the Parish Council and in turn Parish Councillors feel there is significant support by the community – in the original housing needs survey 66% of respondents said they would not object to a development which would meet the affordable housing needs of the Parish."
5. English Rural is a specialist rural housing association only working in small villages – it owns and manages 1000 homes nationally, with over 260 of these located in 27 villages in Kent. All of these homes are only occupied by local people and can never be sold on the open market - providing affordable homes in perpetuity.
6. The land identified in the above study forms part of Timberden Farm which is owned by the District Council and let on a Farm Business Tenancy which runs from year to year.
7. Timberden Farm was purchased by the District Council in 1990 and comprises some 87 hectares (215 acres) of grazing land which is subject to Countryside Stewardship Scheme.
8. The amount of land required to provide 8 rural exception houses is some 0.28 hectares (0.69 acres) and the proposed location is shown by heavy verge on the attached plan (Appendix A)
9. The land would have no other development use other than for agricultural purposes were it not for an identified local need and restrictions referred to above and as such has been valued by a valuer jointly agreed by the Council and the English Rural Housing Association in the sum of £25,000. The original purchase of the farm by the District Council provided for the vendor to receive 50% of any proceeds of sale of whole or part of the farm for development purposes. The effect of this restriction is to restrict the District Council's capital receipt should this land be sold to English Rural Housing Association to £12,500. An extract of the valuation report is appended to this report as Appendix C
10. Local Needs housing is developed on exceptions site using Policy SP4 of the Core Strategy, because it allows the homes to be restricted to local people in perpetuity; ie the homes can never be sold on the open market - tenants do not have a Right to Buy or Right to Acquire and shared owners cannot staircase above 80%

ownership. It would not be possible to have these same restrictions on non-green belt sites.

11. Affordable housing can be built as part of any scheme, but only proposals on Green Belt sites, compliant with Policy SP4, that qualify as exceptions sites, can be restricted by legal agreement so they meet the affordable housing needs of local people.
12. The properties will allocated via Kent HomeChoice to people on the Sevenoaks Housing Register who have a proven connection to the Parish of Shoreham. The process will be managed by English Rural Housing Association in partnership with Sevenoaks District Council. The Parish Council will be asked to verify the local connection of short listed applicants.
13. The development will be subject to a legal s106 agreement setting out the local connection criteria which applicants will be required to meet.

Other Options Considered and/or Rejected

14. The alternative to providing this land for affordable housing would be to retain it as part of the existing farm as the site cannot be used for open market residential development. (Appendix B)

Key Implications

Financial

15. This proposal will contribute £12,500 to the District Council capital reserves and as the area of land is small in relation to the remainder of the farm its disposal will have no significant impact on either the capital value of Timberden Farm nor on the rental received under the Farm Business Tenancy.

Community Impact and Outcomes

16. In 2005 Shoreham Parish Council, supported by Sevenoaks District Council, asked the Rural Housing Enabler at Action with Communities in Rural Kent to carry out a housing needs survey in the Parish, to identify if there was a need for affordable housing for local people.
17. The results identified a housing need from 17 households and the Parish Council agreed that a small development of eight homes would go some way to meet this need.

Equality Issues.

18. This proposal accords with equality issues in that it is beneficial to provide housing for disadvantaged sections of the local community especially in rural areas such as Shoreham.

Legal, Human Rights etc.

19. There are no identifiable legal or human rights issues

Resource (non-financial)

20. None other than officer time involved in transferring the land

Value For Money and Asset Management

21. The proposal generates a small capital receipt whilst providing an identified social need but not having any significant impact of the District Council asset base.

Conclusions

22. An investigation in to sites for affordable housing for local people within Shoreham has failed to identify any alternative suitable site.

Risk Assessment Statement

23. As the choice is between disposing of the land for affordable housing or retaining it as part of Timberden farm there is no significant risk to the district council

Appendices

Appendix A – Location Plan

Appendix B – Planning Statement

Appendix C – Extract of valuation report

Background Papers:

Property _Timberden Farm file

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