

NB The report CAB949 itself and Appendix 3 are Exempt under Paragraph 12 of Schedule 12a to the Local Government Act 1972. However, Appendices 1 and 2 are not exempt having previously been authorised by the Council for publication.

CAB 901
FOR DECISION
WARD(S): ALL

CABINET

5 JULY 2004

PRINCIPAL SCRUTINY COMMITTEE

6 JULY 2004

BUY BACK OF FORMER HRA LAND AT HIGHCLIFFE AND STANMORE

REPORT OF DIRECTOR OF HEALTH AND HOUSING

Contact Officer: Andrew Palmer Tel No: 01962 848152

RECENT REFERENCES:

CAB584 Possible Disposal of HRA land at Highcliffe and Stanmore 12 Feb 2003

CAB600 Disposal of HRA land at Highcliffe and Stanmore 5 March 2003

CAB608 Disposal of HRA land at Highcliffe and Stanmore 19 March 2003

EXECUTIVE SUMMARY:

Due to factors outside of Eastleigh Housing Association's control, the Association was unable to secure planning permission for the development of the sites at Fivefields Road, Highcliffe and Thurmond Crescent, Stanmore. The Association has requested that the Council repurchase the sites from them in accordance with the intention of the agreement entered into between the two parties.

RECOMMENDATIONS:

That Council be requested to approve a supplementary estimate of £511,000, subject to the matter not being called in by Principal Scrutiny Committee, for the repurchase of the former Housing Revenue Account (HRA) land at Fivefields Road and Thurmond Crescent from Eastleigh Housing Association.

CABINET5 JULY 2004PRINCIPAL SCRUTINY COMMITTEE6 JULY 2004DETAIL:1 Introduction

- 1.1 Eastleigh Housing Association originally purchased land at Fivefields Road, Highcliffe and Thurmond Crescent, Stanmore in March 2003. Their intention in purchasing the land (and the Council's in disposing of it) was to enable the development of two proposed supported housing schemes.
- 1.2 The Fivefields Road scheme was refused planning permission in February 2004. Subsequent investigations by Eastleigh Housing Association and the Council into whether the site could accommodate a pair of semi detached houses proved negative. This is due to the bank at the rear of the site rising steeply, which would result in the houses being heavily overshadowed by both the bank and the trees.
- 1.3 The Thurmond Crescent site also proved impossible to bring forward for either supported or general needs housing principally due to issues around parking.
- 1.4 Following the abortive proposals for Thurmond Crescent and Fivefields Road, it is not the intention of the Council to tender any redevelopment proposals for either garage compound at this time.
- 1.5 One of the provisions of the sale of the land was that if planning permission could not be achieved within six months then Eastleigh Housing Association would notify the Council and request that the Council buy back the land at the purchase price. The notice requesting that the Council buy back the land could not be served before six months had expired or after eight months from the date of the agreements. The two month window was included in the sale agreement to give a finite period from the completion of the sales during which the buy back provision referred to in 5.2 of Cabinet report CAB584 could be exercised. It would not have been in the Council's interest to have had an open ended provision that could have been triggered at any future point by Eastleigh Housing Association. The window of two months has since passed, Eastleigh Housing Association delay in applying for the buy back was due to lengthy investigations and consultations with the Council that were required before a full assessment of the sites could be made. Nevertheless, Eastleigh Housing Association has now formally requested that the sites be repurchased. Although outside the timelimits provided for in the terms of the sale, the Council should be mindful of the relationship it has with Eastleigh Housing Association and the fact that the Housing Association has acted diligently and in good faith at all times. It would therefore be expedient for the Council to agree to the request. This view was endorsed by the Corporate Housing Enablement Group at its meeting on the 18th May 2004.

Terms and Conditions of Sale

- 1.6 Cabinet approved the sale of both sites at the best consideration reasonably possible, the valuations being based on an assumption of what planning permission would realistically be forthcoming. The figures were:

Fivefields Road £119,000

Thurmond Crescent £378,000

The 'buy back' provision in the original sale terms was based on the actual figures at the time of disposal not on a new valuation at the time of buy back. It has been agreed with Eastleigh Housing Association that both parties will be responsible for their own legal costs and stamp duty.

OTHER CONSIDERATIONS:

2 CORPORATE STRATEGY (RELEVANCE TO):

Core Values in 2004-2007

In all of our work and services the Council will:

- Be honest, equal and open.
- Treat everyone fairly.
- Aim to enable partnership working.

3 RESOURCE IMPLICATIONS:

- 3.1 The Council would have to fund the legal costs (£1,000), land registry fees (£370) and stamp duty (£12,530) for the transaction. The interest earned on this receipt while held by the Council is sufficient to cover the additional costs incurred. At the end of the transaction the Council will not be in a worse position than it was before and in the spirit of partnership working it is suggested that this is the best achievable outcome.
- 3.2 The original capital receipt for the sale of these two sites, totalling £497,000, is available for the repurchase if Cabinet agrees to this course of action. This can then be included in the revised capital programme.

BACKGROUND DOCUMENTS:

None.

APPENDICES:

None.