

PRINCIPAL SCRUTINY COMMITTEE - 6 December 2004

CABINET - 15 December 2004

DISPOSALS OF HRA LAND AT BUDDENS ROAD, WICKHAM, LOVEDON LANE AND  
MOUNTBATTEN PLACE, KINGS WORTHY

REPORT OF DIRECTOR OF HEALTH AND HOUSING

Contact Officer: Nick Marsden/Rodney Lock Tel No: 01962 848218 and 01962 848325

RECENT REFERENCES:

None.

EXECUTIVE SUMMARY:

This report advises members of the development potential of two separate sites being land between 5 and 7 Buddens Road, Wickham and land to the rear of 104 Lovedon Lane, Kings Worthy (together with land for off site parking at Mountbatten Place, Kings Worthy) both of which are currently in the Council's ownership. The development of either site is not dependent on the other.

There is an exempt Appendix which considers the financial issues arising from the two disposals.

RECOMMENDATIONS: That subject to the matter not being called in by Principal Scrutiny Committee:

- 1 That the disposal of the freehold interest in the area of land between 5 and 7 Buddens Road, Wickham to Winchester Housing Trust Limited at a nominal consideration be approved, subject to terms and conditions to be agreed by the Chief Estates Officer and the receipt of the required consent of the Office of the Deputy Prime Minister.
- 2 That the disposal of the freehold interest in the area of land to the rear of 104 Lovedon Lane, Kings Worthy together with the freehold interest in land at Mountbatten Place to Winchester Housing Trust Limited at a nominal consideration be approved subject to terms and conditions to be agreed by the Chief Estates Officer and the receipt of the required consent of the Office of the Deputy Prime Minister.

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DETAIL:

1 Affordable Development Sites

1.1 Land between 5 & 7 Buddens Road, Wickham

1.1.1 The grassed area of land between numbers 5 and 7 Buddens Road, Wickham (shown edged black on Plan1) has been identified as a potential affordable housing plot, and highlighted in the City Council's Urban Capacity Study as a "good" urban capacity site, ID Number 756, estimated number of dwellings is two.

1.1.2 The site is located in Buddens Road within the existing Council Housing Estate north west of the centre of Wickham, and is located well within the development limits of the village.

1.1.3 The Housing Needs Study carried out in 2002 indicated a requirement for approximately 310 affordable properties in the letting group covering Wickham and the surrounding area.

1.1.4 A resolution was made to grant Planning permission subject to the prior completion of an agreement under s106 Town and Country Planning Act 1990 at the Planning Development Control Committee meeting on 28 July 2004, for a pair of three bedroom two storey semidetached houses.

1.1.5 The Trust is proposing to sell one of the properties under a shared equity scheme as hereafter described; the other property will be let under an assured tenancy.

1.2 Land to the rear of 104 Lovedon Lane and at Mountbatten Place, Kings Worthy

1.2.1 The tenant of 104 Lovedon Lane approached the Council in March 2002 as she was concerned that she would be unable to maintain her garden because of ill health. Following discussions with the tenant it was agreed that the Council would fence off part of the garden, leaving only a small garden that she could maintain and enjoy.

1.2.2 Whilst Cabinet is only being asked to consider the transfer of land to the rear of 104 Lovedon Lane, it should be noted that additional site assembly is required to realise the proposed development. The Trust has reached agreement with the owners of 102 Lovedon Lane (a former Council dwelling sold under the right to buy) to acquire an area of their garden. This agreement is understood to be based on market value for their land, offset by the transfer by way of exchange of part of the land which the Trust will be acquiring from the Council to the owners of 102 Lovedon Lane. The land to be disposed of to the Trust is shown edged black on Plan 2 with the land to be transferred subsequently by way of exchange to the owners of 102 Lovedon Lane hatched black.

- 1.2.3 Access to the development site is by a pedestrian path only and it is not possible to make car parking provision on site. Various alternative locations for the car parking have been investigated and discounted. It is intended to dispose of the freehold interest in a small area of land adjacent to the Council's garage block in Mountbatten Place to enable the provision of three parking spaces, as shown edged black on Plan 3.
- 1.2.4 The land is located within the council estate to the rear of 104 Lovedon Lane and at Mountbatten Place, within the eastern boundary of Kings Worthy.
- 1.2.5 The Housing Needs Study carried out in 2002 indicated a requirement for approximately 100 affordable properties in the letting group covering Kings Worthy and the surrounding area.
- 1.2.6 A resolution was made to grant Planning permission subject to the prior completion of an agreement under s106 of the Town and Country Planning Act 1990 at the Planning Development Control Committee meeting on 31 March 2004, for 3 one bedroom single storey terraced dwellings and for the parking provision at Mountbatten Place.
- 1.2.7 The Trust is proposing to sell one of the properties under a shared equity scheme as hereafter described; the other two properties will be let under assured tenancies

## 2 Background

- 2.1 Winchester Housing Trust has worked closely with the Council in the past in identifying and developing affordable housing opportunities. An example of the Trust's development experience is Dever Close, Micheldever amongst a number of other schemes.
- 2.2 As outlined above there will be a tenure mix of shared equity and affordable rent at both schemes. Winchester Housing Trust operates a shared equity scheme by granting a purchaser a long lease of a minimum period of generally 999 years containing a right of pre-emption entitling the Trust to repurchase the property in the event of the lessee wishing to dispose of his/her interest. The Trust then retains or reserves a proportion (being not less than 25%) of the capital value of the land sold by way of an interest free second mortgage in its favour which is linked to increases in the market value of the property thus ensuring the affordability in the future. The remaining property would be let under an assured tenancy as practiced by RSL's.
- 2.3 As part of the agreements for transfer the Trust is prepared to offer the Council 100 percent nomination rights to all of the properties. However the final nomination rights could be lower on subsequent lettings if the ODPM requires this as a part of the consent. The Consent would still allow the Council to control the criteria for persons eligible to take the properties, even if the Council was not given formal nomination rights to select the individuals itself in all cases.
- 2.4 If the freehold of both parcels of land is sold for nominal consideration, the Trust will be able to subsidise the rest of the costs of the two developments from their own resources.

## 3 Legal Issues

- 3.1 As the land between 5 and 7 Buddens Road Wickham has been maintained as open space the City Council is required to advertise its disposal in accordance with the

provisions of section 123 of the Local Government Act 1972 in a newspaper circulating in the area in which the land is situated and to consider any objections to the proposed disposal which may be made to them.

- 3.2 Accordingly advertisements were placed in the Hampshire Chronicle for two consecutive weeks on 11 October 2002 and 18 October 2002. There were no objections to the loss of the open space, as a result of these advertisements.
- 3.3 The Disposals will require specific consent from the Office of the Deputy Prime Minister as the General Consents for disposal at less than best consideration issued under Section 25 of the Local Government Act 1988 only apply to disposals to Registered Social Landlords. As the Trust is not a Registered Social Landlord, the General Consents do not apply to it.

#### 4 TACT COMMENT

TACT agrees with the recommendations and content of CAB 959, in particular, the use of land for increasing the parking spaces (Item 1.2).

We note that TACT aims are being met as outlined in Item 2.2, that there will be a tenure mix of shared equity and affordable rent at both schemes.

#### OTHER CONSIDERATIONS:

##### 5 CORPORATE STRATEGY (RELEVANCE TO):

- 5.1 To provide affordable homes in safe and pleasant environments for all sectors of our community. Make best use of Council owned land and use our planning policies to secure sufficient land and funding to provide, in partnership, a full range of high quality homes for rental or ownership to meet the needs of our residents.

##### 6 RESOURCE IMPLICATIONS:

- 6.1 As set out in Exempt Appendix

#### BACKGROUND DOCUMENTS:

#### APPENDICES:

- 1 Plans 1, 2 and 3 to 1/1250 scale.
- 2 Exempt Appendix – Financial Details