CABINET – 7 JULY 2008 PORTFOLIO : HOUSING

# B

# DISPOSAL OF LAND AT PARSONAGE BARN LANE, RINGWOOD

#### 1. INTRODUCTION

- 1.1 The purpose of this report is to approve the disposal of a parcel of land in Parsonage Barn Lane, Ringwood to Raglan Housing Association. This land was brought forward as a potential site for Affordable Housing by the Town Council and the then Local Member, the late Councillor Danny Cracknell in March 2006. This report is the result of 2 years of negotiation and planning.
- 1.2 The proposal is for Raglan Housing Association to develop 8 affordable homes for general needs rent that would be allocated to applicants from the Council's Homesearch register. The scheme will consist of 6 no x 2 bed houses and 2 no x 3 bed houses.

#### 2. BACKGROUND

- 2.1 New Forest District Council owns the land within the red line on the Plan (annex1). The land shaded, blue and green on the Plan (annex1) is owned by the Highways Agency. The land shaded yellow is a public footpath.
- 2.2 The NFDC owned land is a totally land-locked parcel of grassland. As it is, this parcel of land would not be able to be developed in any way as there is no access to it without crossing the Highways Land.
- 2.3 Therefore, in order to develop this land it was necessary to negotiate the purchase of the Highways land from the Highways Agency.
- 2.4 Agreement to purchase the Highways land has been achieved. Based on the assumption that 8 affordable social rented homes will be built on the land, a purchase price of £50,000 has been agreed. It should be noted that the Highways agency agreed this figure on condition that the site would ONLY be developed to provide 8 Affordable rented homes in perpetuity.
- 2.5 Safe access to this site has also been agreed with the Highways Planning Officer and his recommendations have been incorporated into the Planning Application.
- 2.6 Ringwood has a high number of households on the Council's Homesearch Register (currently 864). The properties will be allocated to applicants on the Council's Homesearch register and will go someway to meeting the housing need of the area.
- 2.7 At the time of writing this report, the Design and Access Statement has been completed. It is anticipated that Planning Permission will be applied for within the next few weeks.

## 3. FINANCIAL IMPLICATIONS

- 3.1 Housing Corporation Grant totalling £580,000 will be been bid for 2008/9 to develop this scheme.
- 3.2 Subject to Members' approval the intention is that Raglan Housing Association will pay NFDC £50,000 to reimburse NFDC's acquisition costs for the Highways land.
- 3.3 NFDC Valuers consider that this land-locked parcel of land has an open market value in the region of £350,000 for unconstrained development. This assumes that the Highways Agency would agree to sell the access rights for a sum of 50% full market value and that a private developer would build a scheme based upon the proposals put forward by Raglan Housing Association (i.e. 2 x 3 bed properties and 6 x 2 bed properties). As a parcel of land it has limited or no private development potential.
- 3.4 A full financial appraisal of the proposal was undertaken. The scheme is financially viable if Raglan Housing Association receive Housing Corporation grant and if the land is transferred for less than best consideration. These properties will be for affordable rent and therefore only a limited income will be generated. Raglan will have to source private finance to meet the cost of building these dwellings. It is therefore recommended that NFDC dispose of the land at NIL value to enable this development.
- 3.5 Further financial details are set out in Section 4 below.

#### 4. OPTIONS

4.1 There are three options for this site that are set out below:

Disposal Option	Benefits	Other Factors
1. Dispose to Raglan Housing Association	8 units of affordable housing would be provided.  A bid to the Housing Corporation will be made for £580,000  Subject to Housing Corpfunding and the successful purchase of the Highways land, there is certainty over delivery.  Ability to meet housing need.	Loss of open space.  The site is valued at £350,000 (see above for explanation). As this asset will be transferred to the RSL at NIL value there will be no capital receipt  Raglan Housing Association has agreed to reimburse NFDC's cost of the purchase of the Highways Land (£50,000). Therefore, the acquisition of the land

Disposal Option	Benefits	Other Factors
1. Dispose to Raglan Housing Association		which will make this proposal possible will be at NIL cost to the Council.

Disposal Option	Benefits	Other Factors
2. Do nothing	Land would be retained as open space.	Potential loss of Housing Corporation funding £580,000  The opportunity to provide affordable housing on the site would be lost. Also NFDC grounds maintenance costs would continue for the foreseeable future.

Disposal Option	Benefits	Other Factors
3. Dispose to the open market	Housing needs are unmet  Possible capital receipt =	Loss of open space. The opportunity to provide affordable housing on the site would be lost
manot	£350,000 – but only if the Highways Agency agrees to sell their access. The viability of an open market development is questionable.	

## 5. ENVIRONMENTAL IMPLICATIONS

- 5.1 The matter of Noise Pollution is a very serious matter given the site's proximity to the A31. Raglan Housing Association has carried out a noise pollution survey and enlisted a professional consultancy to ensure that every possible action will be taken to reduce noise both in the homes and within the site generally. Raglan has also taken advice from the NFDC Environmental Health team and this advice will been incorporated into the Planning Application.
- 5.2 The new homes will be developed to Code 3 sustainable homes.
- 5.3 The loss of open space on the site balances with the replacement of affordable general need rented accommodation.

#### 6. CRIME AND DISORDER IMPLICATIONS

- 6.1 There are no specific crime and disorder issues or implications.
- 6.2 The homes will be built to Secure by Design standards.

#### 7. EQUALITY AND DIVERSITY IMPLICATIONS

7.1 The proposed scheme will make a contribution towards meeting local housing needs and provide housing for households on the Homesearch register.

#### 8. CONSULTATIONS

- 8.1 The Housing Portfolio Holder has been consulted together with the Town Clerk for Ringwood and local Councillors.
- 8.2 Discussions and meetings were held with Raglan Housing Association, NFDC Housing Officer, Housing Needs and Development Control to ensure the scheme was suitable for the site.
- 8.3 Both the Housing Asset Management Group and the Corporate Asset Management Group support the recommendation.

#### 9. CONCLUSIONS

9.1 Given the priority attached to the provision of affordable housing, disposal option 1(section 4) is recommended.

#### 10. PORTFOLIO HOLDER COMMENTS

10.1 The Portfolio Holder for Housing supports the proposal for the re-development of the site for 8 affordable rented homes to be provided by Raglan Housing Association.

#### 11. RECOMMENDATIONS

11.1 Subject to the granting of Planning Permission - the land at Parsonage Barn Lane, Ringwood is transferred leasehold to Raglan Housing Association for Nil value plus the reimbursement of costs relating to the purchase of the Highways land.

### For Further Information Please Contact:

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