

CABINET - 6 MAY 2009

PORTFOLIO: HOUSING

DISPOSAL OF LAND AT HOUNSDOWN, TOTTON

1. INTRODUCTION

- 1.1 The purpose of this report is to consider the disposal of three parcels of land at Hounsdown, Totton to Swaythling Housing Society (part of the Radian Group).
- 1.2 These three parcels of land were identified by the Housing Asset Management group as suitable for redevelopment for Affordable rented homes. In order to achieve best value it was decided to parcel the plots together and offer them as a project to the RSL partnership. Submissions were presented and the Housing Asset Management group selected Swaythling Housing Society to take the project forward.
- 1.3 A summary of the presentations received is attached at Appendix 1. It should be noted that although the original submission from Swaythling contained a proposal for 7 dwellings this has subsequently been reduced to 6 on advice from the Council's planners. This did not alter the overall financial viability and success of their proposal.
- 1.4 The proposal is to develop: 4 two bedroom bungalows at The Drive, 1 two bed house at 33 Hounsdown Avenue, and 1 two bed house at Powell Crescent.

2. BACKGROUND

- 2.1 New Forest District Council currently owns the three plots of land. The Drive has a block of 11 garages upon it. (The site is shown in Annexe 1). Please note that the proposed development will not affect the footpath linking The Drive to Hounsdown Avenue this will remain in NFDC ownership.
 - Powell Crescent has a block of 5 garages upon it. (The site is shown as Annexe 2). The garages are currently let on a weekly Garage Tenancy Agreement.
 - 33 Hounsdown Avenue is a vacant plot of land as the original house was demolished some years ago because of subsidence. (The site is shown as Annexe 3.)
- A survey of the garage tenants has been carried out and it has been established that only 9 of these 16 garages are let to people living within 100 metres of the garage courts. After discussion with Highways it has been established that 3 replacement parking spaces are required for general use, plus two hardstandings on private driveways. The remaining 4 garage tenants should be given priority to rent another NFDC garage in Hounsdown.

The positioning of the 3 replacement spaces has been agreed with Highways and has been incorporated into the Planning application – together with the 2 hardstandings.

- 2.3 The new development will consist of 4 two bedroom bungalows at The Drive, 1 two bed house at 33 Hounsdown Avenue and 1 two bed house at Powell Crescent.
- 2.4 All of these homes, plus any properties made available through transferring tenants, will be allocated through the Homesearch register which at present shows 276 applicants waiting for bungalows in Totton and over 500 applicants waiting for 2 bed houses in Totton.
- 2.5 A planning application for this proposal will be submitted. The site lies within an area of established housing. Policy AH-1 of the New Forest local Plan permits affordable housing schemes for local needs. A covenant to be written into the land transfer will restrict the use of the homes to "Affordable Housing". This will protect the land for the future.

3. FINANCIAL IMPLICATIONS

3.1 The estimated total funding for this scheme is calculated to be £778,370. This cost includes the build cost plus £60,000 to be paid to NFDC for the land. Funding will be obtained from:

Swaythling's own resources = £230,841
 40 year loan (obtained by Swaythling) = £247,529
 Housing Corporation Grant = £300,000

3.2 The Council's Valuer estimates the value of these three sites at £328,000.

4. OPTIONS

4.1 The Council could decide to retain the garages at The Drive and Powell Crescent and not redevelop the vacant plot at 33 Hounsdown Avenue. The implications of this are set out below.

Disposal	Benefits	Costs
Option		
1. Develop land to	6 units of affordable housing	Loss of 15 garages.
provide 4 x 2 bed	would be provided.	Loss of garage income LESS
bungalows and 2 x 2	A bid to the Housing	maintenance costs.
bed houses	Corporation has been made	The vacant plot in Hounsdown
	for £300,000	Avenue does not produce any
	Subject to Planning, there is	income for the Council but has
	certainty over delivery.	to be maintained.
2. Do nothing	Continued income received	Potential loss of Housing
	from garage rental.	Corporation funding of
	Average garage rent = £7.60	£300,000. Loss of Capital
	per week	receipt of £60,000
		The opportunity to provide
		affordable housing on the site
		would be lost.

5. ENVIRONMENTAL IMPLICATIONS

- 5.1 The Local Planning Authority will assess the impact of the development through the Planning process.
- 5.2 Replacement parking areas will be provided by Swaythling in accordance with Hampshire County Council Highways section.
- 5.3 The new homes to be developed to Code 3 Sustainable Homes standard.

6. CRIME AND DISORDER AND EQUALITY AND DIVERSITY IMPLICATIONS

6.1 There are none arising directly from this report.

7. CONSULTATIONS

- 7.1 Discussions and meetings have been held with Hampshire County Council, Swaythling Housing Society, NFDC Community Safety Officer, Housing Needs and Development Control to ensure the schemes are suitable for the sites.
- 7.2 The Councillors for the area have also been consulted.

8. PORTFOLIO HOLDER COMMENTS

8.1 The Housing Portfolio Holder agrees the recommendation. There is a demand for affordable housing in Totton. This proposal will contribute towards meeting that need.

9. CONSIDERATIONS

- 9.1 The proposed scheme will make a valuable contribution towards meeting local housing needs and provide housing for households on the Homesearch register.
- 9.2 The loss of garages on this site has been carefully considered and replacement parking will be provided as agreed by Highways.

10. CONCLUSIONS

10.1 Given the priority attached to the provision of affordable housing, disposal is recommended.

11. RECOMMENDATIONS

- 11.1 The land at The Drive, Hounsdown (Annexe 1), Powell Crescent (Annexe 2) and Hounsdown Avenue (Annexe 3) be transferred to Swaythling Housing Society, from whom the most favourable proposal was received, for £60,000 (sixty thousand pounds).
- 11.2 The transfer is subject to planning consent being granted to Swaythling Housing Society to develop the sites for affordable housing.

For Further Information Please Contact:

Background Papers:

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Housing Strategy and Business Plan

Appendix 1

DISPOSAL OF LAND AT HOUNSDOWN, TOTTON

SUMMARY OF BIDS

	ASSOCIATION	LAYOUT (NUMBERS)	GRANT	FORWARD FUND	CODE 3	LAND VALUE	CONSUL'N	TIMESCALE
PLOT A	HOUSING ASSOCATION A	5 X 2/3 BH	NO MENTION	YES	3/4	NO MENTION	YES	YES
	RADIAN	3 X 2BH 2 X 1BF 2 X 2BF	£275,000	YES	3	£70,000	YES	YES
	RADIAN Alternative scheme	4 X 2 BB	£200,000	YES	3	£40,000	YES	YES
	HOUSING ASSOCIATION B	3 X 2 BB	£150,000	YES	3	£30,000	YES	YES
	HOUSING ASSOCIATION B Alternative scheme	4 X 2 BB	£200,000	YES	3	£40,000	YES	YES
PLOT B	HOUSING ASSOCATION A	1 X 3BH	NO MENTION	YES	3/4	NO MENTION	YES	YES

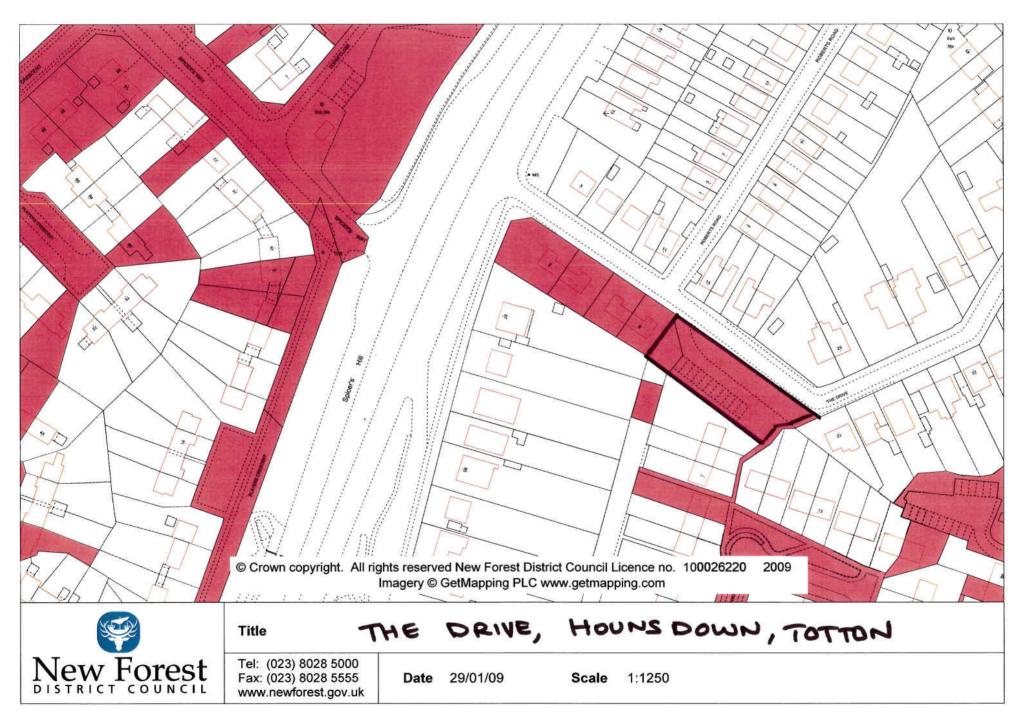
	RADIAN	2 X 1BB	£50,000	YES	3	£20,000	YES	YES
	HOUSING ASSOCIATION B	1 X 2BB	£50,000	YES	3	£10,000	YES	YES
PLOT C	HOUSING ASSOCIATION A	1 X 3BH (EOT)	NO MENTION	YES	3-4	NO MENTION	YES	YES
	RADIAN	1 X 2BH	£50,000	YES	3	£10,000	YES	YES
	HOUSING ASSOCIATION B	1 X 2BH	£50,000	YES	3	NIL	YES	YES

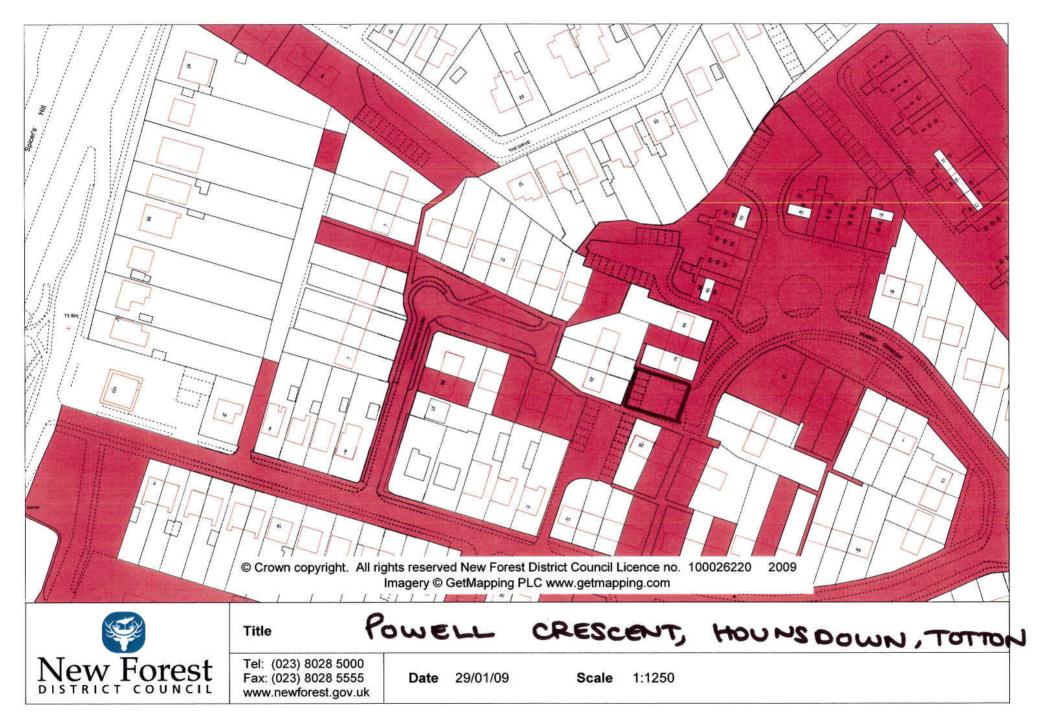
ANALYSIS OF RESULTS:

	NUMBER OF DWELLINGS	GRANT REQUIRED	LAND VALUE	SCORING
HOUSING ASSOCIATION A	7	NO MENTION	NO MENTION	Unable to score
RADIAN	10	£375,000	£100,000	
HOUSING ASSOCIATION B	5 (POSS 6)	£250,000	£40,000	

ANALYSIS OF RESULTS – using alternative bungalow scheme

	NUMBER OF DWELLINGS	GRANT REQUIRED	LAND VALUE	SCORING Grant	SCORING Land value	DECISION
RADIAN	7	£300,000	£70,000	Grant per property - £42,857	£70,000	One more dwelling. Lower grant per property. Higher land value.
HOUSING ASSOCIATION B	6	£300,000	£50,000	Grant per property- £50,000	£50,000	









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