

Wiltshire Council

Cabinet Capital Assets Committee

Date of meeting 19th March 2013

Subject: **Land at Hilmarton**

Cabinet member: Councillor John Thomson, Deputy Leader and Cabinet Member for Adult Care, Communities and Housing

Key Decision: **No**

Executive Summary

An opportunity has arisen to develop some much needed affordable housing in Hilmarton in the Calne Community Area. The council owns a tenanted farm (Appendix A) the land is valued at £7,000 per acre, which is based on commercial agricultural values.

Only 0.15hectares/0.38 acres at the northern end of the farm would be required of the 0.84 hectares of bare land for new housing to meet the local housing need identified through the Rural Housing Need Survey 2012. This is the favoured site for development by Hilmarton Parish Council.

Guinness Hermitage has an allocation of £560,000 affordable housing grant from the Homes and Communities Agency for delivery of rural affordable housing in Wiltshire. This grant needs to be spent by March 2015. This site provides an opportunity to enable the grant to be invested in Wiltshire rather than being returned to the HCA or allocated within another local authority.

In early February 2012 a rural housing need survey was undertaken with the support of the Parish Council. The report identified four households seeking an affordable home in Hilmarton. The Parish Council are keen to see more affordable housing for local people. The proposal makes good use of Wiltshire Council land.

Proposal(s)

To delegate authority to Jacqui White, Service Director Business Services in consultation with Councillor Toby Sturgis, Cabinet Member for Waste, Property, Environment and Development Control Services to dispose of land at Hilmarton to Guinness Hermitage Housing Association to provide 5 new affordable homes.

Name of Director - James Cawley
Designation – Director, Strategy and Commissioning

Wiltshire Council

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Purpose of Report

1. The purpose of this report is to seek Members approval to use a proportion 0.15 hectares/0.38 acres of council owned land in Hilmarton to provide some much needed new housing in Hilmarton in partnership with Guinness Hermitage.

Background

2. There has been substantial work undertaken with the parish to identify suitable sites for affordable housing over the last few months. The parish feel strongly that the most suitable site and preferred site is Land at Hilmarton.
3. The rural needs survey was undertaken in April 2012 and identified a housing need for four new affordable homes, with a mix of 2 and 3 bed properties for rent and shared ownership. This is a real opportunity to use the land for more housing in Hilmarton.

Main Considerations for the Council

4. The proposal would be to use 0.15hectares/0.38 acre parcel of land at the top of the field for five new homes. Guinness have carried out research into the local housing market and are comfortable that shared ownership will sell well in the locality, given the strong housing need for shared ownership products. A draft sketch plan proposes three rented homes and two shared ownership homes. A recent assessment of Hilmarton's demographics show that 52 households aged 45+ are living in homes with more than 2 bedrooms. There could be an opportunity to provide some open market housing to enable older people to move into more suitable accommodation, given the high number of older people living in Hilmarton who may like to downsize into bungalows. Further discussions will need to be held with the parish. A sketch plan of the proposal is attached at Appendix B.

5. Any revenues from open market housing would be re-invested to support the delivery of affordable housing.
6. Initial discussions with development services have not indicated any planning issues with the proposals. However, the proposals will need to be fully worked up and will be subject to planning and local consultation.
7. The Council will need to serve notice to the tenant farmer by April 2013 to expire at the end of April 2014. Therefore the earliest Guinness could get on site would be April 2014 unless the council is able to negotiate an earlier end to the tenancy.
8. Wiltshire Council is committed to working with registered providers to meet the objectives of the Homes and Communities Agency Affordable Housing Programme, which provides grant funding to deliver affordable housing. There is an opportunity to use £165,000 of Guinness' allocation of £560,000 to enable delivery of new homes in Hilmarton.
9. Any schemes requiring funding need to reach practical completion by March 2015, therefore gaining access to the site as soon as possible is imperative.
10. Procurement and Legal advice has been sought. The view is because it is a land transfer, it is outside of both the Council's procurement rules and the European procurement regime.
11. It can be demonstrated that the land will be used for social housing aimed at local people and so this will not be state aid.
12. This land is designated in the Rural Estate Strategic Asset Management Plan as part of the Core Estate which is to be used for alternative uses as and when opportunities arise. Using it for affordable homes fits in with this policy.
13. Guinness have stock in neighbouring Calne and Wootton Bassett areas, with the scheme to be managed from Guinness' Marlborough office.
14. A rural housing need survey was undertaken in April 2012 and identified four households seeking an affordable home in Hilmarton.
15. The council will have nomination rights to the new affordable homes in line with Wiltshire Council's Allocations policy.

Environmental and climate change considerations

16. There are no known environmental impacts that will impact on this proposal at this time. Depending on which affordable housing option may be pursued, the affordable homes would be built to at least Code for Sustainable Homes Level 3, and possibly to Level 4. The Code aims to reduce our carbon emissions and create homes that are more sustainable. Further considerations around environmental impact would be dealt with at

the point of a planning application when specific scheme details are provided.

Equalities Impact of the Proposal

17. There are no such impacts on this proposal. Equality and diversity are inherent components of the Council's Housing Allocations Policy which will be applied to the completed dwellings. The provision of additional affordable housing adds to the diversity of our towns and villages by ensuring that the social demography is balanced and that our communities are sustainable and vibrant places to live and work.

Risk Assessment

18. The scheme may not achieve planning. However, Guinness Hermitage are fully funding the planning application costs. Therefore if the scheme does not proceed there is no financial loss to the Council. In addition, the site will not be transferred to Guinness Hermitage until planning permission has been achieved.
19. The timescales may make it difficult to deliver the new homes within the timeframe for spending the HCA grant funding. However, Guinness Hermitage will carry out all work required prior to start on site before gaining vacant possession of the site in April 2014 to ensure a start on site on that date is achievable.
20. There is a risk that the existing tenant may not wish to continue to farm the remaining land and the council will have to try and re-let the property.

Financial Implications

21. The council owned land required for this scheme has been valued at £7000 per acre. This potential capital receipt will not be received if the land is used to deliver affordable housing.
22. The loss of the £7000 per acre means the council loses out on the option to reduce the revenue cost of borrowing but this is a very minor effect due to the size of the receipt. This capital receipt has not been assumed in the capital programme.
23. There are no long term budgetary implications surrounding using the Wiltshire Council owned parcel of land. This proposal generates additional affordable housing for local people in Hilmarton.

Legal Implications

24. Under the Local Government Act 1972 local authorities have a duty to obtain the best consideration reasonably obtainable when disposing of land, unless the Secretary of State consents to the disposal. Pursuant to the General Disposal Consent 2003, it is not necessary to seek specific consent for any disposal of land which the Authority considers will help it to

secure the promotion or improvement of the economic social or well-being of its area where the difference between the unrestricted value of the interest to be disposed of and the consideration accepted is two million pounds or less. In order for the Council to avail itself of this general consent, it is necessary to be able to show that the benefits assessed match or exceed the undervalue by reference to professional valuation advice, the Community Strategy and Council Policy.

25. There will be a requirement placed by the Council on the Housing Association to develop housing as part of the transaction. As such this could preclude the transaction being deemed a 'land deal'. In this case the Council's procurement rules will apply. Given the value of the transaction, current EU thresholds for Public Contracts will not apply. An 'exemption' to the Council's procurement rules should be registered.

Options Considered

26. There is an option not to proceed with this proposal and retain the land as part of the farm. However, this will lose the opportunity to provide 5 new affordable homes in the village of Hilmarton.
27. Option for the council to develop for council housing but loses opportunity to make use of HCA funding.
28. Option to invite competition from a range of providers but Guinness need some certainty around delivery or they will either lose their allocation or switch funding to another local authority area.

Conclusions

29. There is an opportunity to use council owned land to deliver new housing in partnership with a Guinness Hermitage, to increase the supply of new housing in Hilmarton.

Name of Director – James Cawley

Designation – Service Director, Strategy and Commissioning (Adult Care and Housing)

Report Author:
Victoria Smith
Principal Development Officer (New Housing)
Tel. 01249 706556
Email. Victoria.Smith@wiltshire.gov.uk

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Background Papers

None

Appendices

Appendix A – site plan

Appendix B – sketch proposal
