

NORTH LINCOLNSHIRE COUNCIL

**HOUSING AND STRATEGIC PLANNING AND
CORPORATE SERVICES CABINET MEMBERS**

RURAL AFFORDABLE HOUSING SCHEME, WOODSIDE LANE, WROOT

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To update Cabinet Members on the need for affordable housing in the Wroot area.
- 1.2 The key issues of this report are as follows:
- There is a proposal for a rural affordable housing scheme in Wroot.
 - The council own a former garage site on Woodside Lane, which is suitable for this development.
 - To approve, the sale of this site to one of our partner Housing Associations, South Yorkshire Housing Association (SYHA) for £5,000 per plot, to meet this need.

BACKGROUND INFORMATION

- 2.1 The Northern Lincolnshire Rural Housing Enabler carried out a Housing Needs Survey in the village of Wroot in partnership with the local Parish Council in November 2005.
- 2.2 The survey indicated a need for
- 11 affordable homes for the people of Wroot
 - Predominantly two bed properties were required with a smaller need for three bed.
 - A mix of rent and shared ownership were needed.
- 2.3 The provision of affordable rural housing is a key priority in:
- Building a Better Future: The Joint Housing Strategy of North and North East Lincolnshire Councils 2007- 2010
 - The Regional Housing Strategy 2005-2021 and
 - The Community Strategy – particularly the shared ambition ‘Communities that are confident and caring’ which includes – ‘Better quality homes and more affordable housing for people on low incomes’.
- 2.4 The council has a duty to enable the development of affordable housing to meet identified needs. However, the following apply;

- Local authorities rarely have the resources to build affordable housing, and were prohibited from doing so until recently.
 - The planning system cannot meet all housing needs.
 - One of the main ways to enable the building of affordable housing is to provide development sites at nil or subsidised cost.
- 2.5 The Rural Housing Enabler produced a study on all available sites in Wroot. It found the following:
- The Parish Council suggested the disused, former garage site on Woodside Lane (appendix 1). North Lincolnshire Council originally purchased it for the provision of affordable housing provision in 1996. The site has remained undeveloped since.
 - Any privately owned sites were ruled out. They cost too much to attract sufficient Housing Corporation grant to enable a housing association to build the homes.
- 2.6 The council's Spatial Planning and Development Control teams support the site as a rural exception site for affordable housing. (Policy H13 of the adopted Local Plan.)
- 2.7 SYHA bid for Housing Corporation funding in October 2007. This bid was supported by the Council based on the evidence of housing need in the settlement. The Housing Corporation assessment of the bids included consideration of how deliverable the scheme was. SYHA therefore applied for planning permission while waiting for the bid outcome. Planning permission was granted on 14 February and the Housing Corporation awarded funding at the end of February 2008.
- 2.8 The Housing Corporation funding secured is £256,000, and the total scheme will cost £766,949. This includes major capital investment from borrowing and reserves from SYHA.
- 2.9 The proposed development site is in the council's ownership. As an exception site its value is less than if it were within development limits. It is currently not developable for private housing. The Housing Corporation expects housing associations to pay no more than £5,000 per plot – see Appendix 2. The SYHA will pay the council £30,000 for this site. The council is retaining sufficient land for a single plot and will seek to re-align the village development limits to include this retained site as part of the Local Development Framework process.

3 OPTIONS FOR CONSIDERATION

- 3.1 Refuse to sell the land to South Yorkshire Housing Association and place the land on the open market.
- 3.2 Request more than £5,000 per plot and sell the land to the SYHA.
- 3.3 Sell land to South Yorkshire for £5,000 per plot - £30,000 in total.

4 ANALYSIS OF OPTIONS

- 4.1 Refusal to sell the land to SYHA will result in the loss of the Housing Corporation funding for this scheme. SYHA would not be able to develop the scheme. The council cannot sell the land for market housing yet as the site is outside the development boundary. The settlement boundaries are likely to be reviewed through the Local Development Framework. However, the Housing and Employment Land Allocations will not be resolved until spring 2010.
- 4.2 Grant funding is still likely to be lost from the Housing Corporation if the authority sought an increased amount per plot.
- 4.3 If the land is not secured at this price, North Lincolnshire would lose a capital investment of over £767,949, and six affordable homes for Wroot.
- 4.4 There are some concerns within the property profession about the Housing Corporation's stance on £5,000 per plot. However, the site's location outside the development boundaries and the contamination aspect, make £30,000 a reasonable sale price.
- 4.5 The council will expect SYHA to provide 75% nomination rights to the council (the maximum allowed by the Housing Corporation) for people on the Joint North Lincolnshire Homes and North Lincolnshire Council housing register.

5 RESOURCE IMPLICATIONS

5.1 Financial

- Releasing this site could mean that the council is giving up what might become a larger future capital receipt, potentially around £80,000.
- Selling the land to SYHA secures an investment of £766,949 for the development of six affordable homes. This is also a council ambition.

6 OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 - CRIME AND DISORDER, RISK AND OTHER)

6.1 Statutory

The council has a duty to assess the housing needs of the area. It needs to take action to secure the required homes.

6.2 Environmental and Other

This is a Brownfield site. The scheme will deal with contamination on the site and the homes will be developed to the code for sustainable homes level three standard as set out by the Housing Corporation. If possible, it will exceed this standard by the use of solar panels. This is a key aspect in ensuring the development has minimal impact on the

environment. It also ensures that the running costs of the homes are affordable for future occupants.

7 OUTCOMES OF CONSULTATION

- 7.1 Housing Need was identified through a housing needs survey. The parish council consultations resulted in the selection of this site, agreement on the number of homes and the tenure. The parish also supported the application through the planning process.

8 RECOMMENDATIONS

- 8.1 That the Cabinet Members approve the sale of the land at Woodside Lane, Wroot to South Yorkshire Housing Association for £30,000.
- 8.2 That the Cabinet Members receive further reports on the progress of the scheme.

HEAD OF STRATEGIC REGENERATION, HOUSING AND PLANNING AND
SERVICE DIRECTOR ASSET MANAGEMENT AND CULTURE

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Date: 03/06/2008

Background Papers used in the preparation of this report

Wroot Rural Housing Needs Survey Dec 2005,
Building a Better Future – The Joint Housing Strategy of North and North East
Lincolnshire Councils 2007 - 2010, Yorkshire and Humber Regional Housing Strategy
2005-2021



Sent to
each partner

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Ansar Ali -
letter

29th July 2005

Dear Ansar

RE: Land Values and Bids for SHG 2006-08.

I know you are currently preparing bids for the 2006-08 Affordable Housing Programme and would be grateful if you could bear in mind the following points:

- 1) We would expect the value of the land to be built upon to have been agreed with the land owner prior to the bid being made.
- 2) With the exception of land which is bid for in open competition with private developers we would expect the land value element of the total scheme cost to be no more than £4-5,000 per plot.
- 3) This maximum is a guide, and should apply to land purchased for Affordable Housing provision such as a rural exception sites, land purchased directly from a local authority specifically for the provision of affordable housing or purchased from another RSL.
- 4) Where the land price element of the total scheme cost is greater than this amount we would expect there to be exceptional reasons why this is the case, and for there to be evidence why a higher price is necessary.
- 5) There are several local authorities who provide land at nil cost to facilitate Affordable Housing development and we would encourage this, where this is the case please indicate this on your bid.





I realise that there may be circumstances where land values for projects have already been agreed, but we are very keen to ensure that social housing grant is not used as a "balancing" factor in inflating the price paid for Affordable Housing land. We will also be very concerned where competition between affordable housing developers has resulted in inflating land prices above this base level, and would be very keen to hear of any situations where you know this to be the case.

Please pass this letter on to other members of your partnership if you are the lead partner.

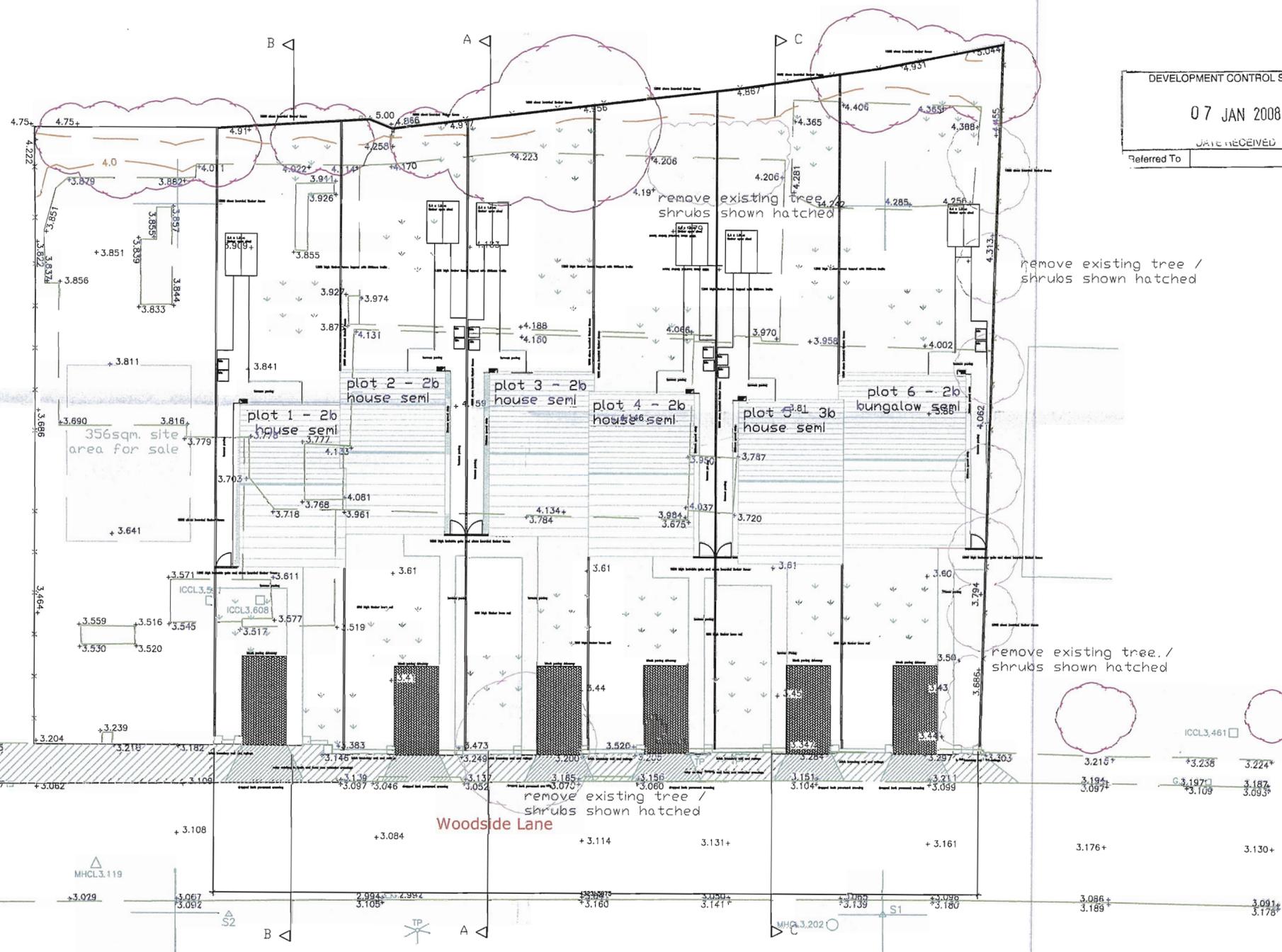
Yours sincerely

A handwritten signature in black ink, appearing to read "Ged Walsh", written over the "Yours sincerely" text.

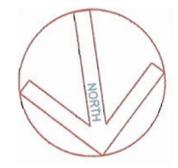
Ged Walsh
Head of Investment
Yorkshire & the Humber



**AMENDED
DRAWING**



DEVELOPMENT CONTROL SECTION
07 JAN 2008
DATE RECEIVED
Referred To



Revisions
A: plot 1 and plot 6 house type amended

General Notes
1. To be read in conjunction with the contract.
2. Do not scale from this drawing. Check all dimensions on the site and report any discrepancies to the architect.
3. All structural and drainage work to be to the satisfaction of the local authority.