

<b>Report To:</b>	<b>CABINET</b>
<b>Date:</b>	<b>16<sup>TH</sup> SEPTEMBER 2024</b>
<b>Heading:</b>	<b>AFFORDABLE HOUSING DEVELOPMENT – FAIRHAVEN, KIRKBY IN ASHFIELD</b>
<b>Executive Lead Member:</b>	<b>CLLR TOM HOLLIS, DEPUTY LEADER AND EXECUTIVE LEAD MEMBER FOR STRATEGIC HOUSING</b>
<b>Ward/s:</b>	<b>KINGSWAY</b>
<b>Key Decision:</b>	<b>YES</b>
<b>Subject to Call-In:</b>	<b>YES</b>

### **Purpose of Report**

To advise Members about the opportunity to acquire a brownfield site located at Fairhaven, Kirkby in Ashfield and to seek approval to purchase the land and develop it for affordable housing, subject to conditions.

## **Recommendation(s)**

The following recommendations are subject to Planning permission to develop the Fairhaven site for affordable housing.

1. To purchase the Fairhaven site from Nottinghamshire County Council. This will be at the price negotiated between both parties following separate valuations of the site.
2. To approve the proposal to develop the Fairhaven site for affordable housing.
3. To grant delegated authority to the Executive Lead Member for Strategic Housing, Executive Director - Place, alongside the Corporate Resources Director to procure and appoint a contractor to develop the site.
4. To grant delegated authority to the Executive Lead Member for Strategic Housing, Executive Director - Place, alongside the Corporate Resources Director to negotiate and formalise final scheme costs, property mix, specification and delivery.
5. To grant delegated authority to the Executive Lead Member for Strategic Housing, Executive Director Place to contract, on behalf of the Council, with Homes England, for the purposes of receiving subsidy to ensure that developments are viable and fall within a maximum payback period of 40 years.

## **Reasons for Recommendation(s)**

A Corporate Plan objective is to ensure every Ashfield resident has access to a suitable and appropriate home. As part of this, the Council is committed to significantly increasing the supply of affordable homes.

In recent years, the Council has utilised its own land holdings for the purpose of building new affordable homes. The supply of suitable land is limited and there is a need to look at other opportunities, including buying land from partners and buying off the open market.

Through discussions with Nottinghamshire County Council, there is an opportunity to buy a plot of land at Fairhaven, Kirkby in Ashfield, on the site of the former Kirklands Residential Home, that is potentially suitable for development and would help the Council in meeting its aim of increasing the supply of affordable housing.

## **Alternative Options Considered**

No alternative options have been considered. The Council has given a commitment to increase the supply of affordable housing and to do so land will need to be purchased and developed.

## Detailed Information

The Council has a successful Affordable Housing Development Programme. Vacant garage sites, car parks and other under-utilised Council land has been used for the purpose of building new homes. With over 4000 applicants on the Housing Register, the Council is committed to continue with the Programme but must now look further afield for suitable land to develop.

The site at Fairhaven, owned by Nottinghamshire County Council (NCC), was identified as being potentially suitable for development and officers have engaged with colleagues at NCC regarding its availability. In the past the site was used as a residential care home, this has now been demolished and the site secured. The site was the former location of the Kirklands Residential Home, which runs from Central Avenue, parallel with Western Avenue, down to Manor Crescent, on the Kingsway estate.



Developing the land for affordable housing fits with NCC's own Housing Strategy and agreement was reached for the Council to purchase the site subject to conditions (Cabinet approval and Planning consent). Both parties have had the site valued and based on this, a provisional purchase price has been negotiated and agreed.

Indicative plans have been drawn up that show the Council could build 20 homes on the site. The final mix would be subject to consideration and agreement, but the first set of plans included 12 x two bed houses, 6 x three bed houses and 2 x four bed houses. The four bed houses would have the 4<sup>th</sup> bedroom on the ground floor, along with an accessible ground floor bathroom and would be suitable for families where one family member is a wheelchair user. Meeting the needs of larger families where one member is a wheelchair user is exceptionally difficult and these 2 four bed houses will help meet that local need.

The homes would be thermally efficient, with a range of measures to minimise carbon use. New Planning Regulations relating to bio-diversity net gain means there will be green spaces, so the site would not be over-densely developed.

The site is within an established residential area, with most of the surrounding properties being family homes. Steps would be taken to ensure the proposed development is in keeping with the surrounding neighbourhood.

The purchase of the site would be funded by existing developer contributions (s106) held by the Council and Housing Revenue Account (HRA) capital receipts. For the development itself, the Council would look to secure Homes England funding. If successful, Homes England would likely contribute £1.14m of the estimated £4.97m development cost, the remainder being funded via the HRA (£3.83m).

The Council is committed to ensuring its affordable housing developments are financially viable, that is to say they pay back to the HRA within a 40 year period (through rents received). The proposed development, based on current costs, pays back in year 38 and so is considered financially viable. This excludes the land purchase. (See financial details below).

## **Implications**

### **Corporate Plan:**

The Corporate Plan includes an objective to ensure every resident has access to a suitable and appropriate home. There is a specific aim to significantly increase the supply of affordable housing.

### **Legal:**

Section 17 of the Housing Act 1985 enables a local housing authority to acquire land as a site for the purpose of erecting houses.

Legal Services will provide advice and assistance throughout the acquisition process. [RLD 16/08/2024]

### **Finance:**

The purchase of land will be paid for through the use of £387,000 of section 106 commuted sums and £138,000 of HRA capital receipts from the recent sale of the HRA Coniston Rd garage site. It is proposed that the development will be funded by £3.83m HRA reserves and £1.14m Homes England funding (to be confirmed). [PH 28/08/2024].

<b>Budget Area</b>	<b>Implication</b>
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General Fund – Revenue Budget	N/A
General Fund – Capital Programme	N/A
Housing Revenue Account – Revenue Budget	As set out above.
Housing Revenue Account – Capital Programme	

**Risk:**

<b>Risk</b>	<b>Mitigation</b>
Planning permission is not granted to develop the site	<p>Preliminary discussions have been held with Planning who have identified no barriers to development.</p> <p>The in-principle agreement with NCC is that the land purchase is subject to the Council getting Planning permission and so the purchase will not proceed if permission is not given.</p>
Cost price inflation makes the development unviable	<p>The Council has a strong relationship with our preferred building developer. Prices will be negotiated to ensure value for money and agreed in advance of the build.</p> <p>Surveys conducted as part of the Planning application should highlight any issues or concerns with the land that could lead to unexpected costs.</p>
Building developer goes out of business	Due diligence checks will be conducted to ensure the developer is financially healthy and not at risk of going out of business.

**Human Resources:**

N/A

**Environmental/Sustainability:**

The properties will be built under the new regulations, with the desire to achieve A ratings on the EPC. Each new home will be triple glazed with added insulation to gain as low a U value as possible, alongside PV panels inset within the roof.

Bat and swift boxes will be installed, along with bee bricks and hedgehog highways for the gardens.

New Biodiversity Net Gain (BNG) rules mean any development undertaken must increase the area’s biodiversity by 10 percent. We would hope to achieve this on site, but if not possible an off site green space will be created.

## **Equalities:**

An Equality Impact Assessment Screening has identified no negative impact of the proposed development on those with protected characteristics, this is because the site is vacant, secured and has no current use. The intention is for 2 of the new homes to be suitable for families where one member is a wheelchair user, doing so will have a positive impact on this cohort of housing applicants.

## **Other Implications:**

N/A

## **Reason(s) for Urgency**

*Not applicable*

## **Reason(s) for Exemption**

*Not applicable*

## **Background Papers**

N/A

## **Report Author and Contact Officer**

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