

<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</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>SUTTON CENTRAL AND NEW CROSS</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 develop Hardwick Lane Recreation Ground, Hardwick Lane, Sutton in Ashfield for the purpose of affordable housing. To seek Member's views and, if in agreement, their consent to appropriate the land from the General Fund to the Housing Revenue Account (HRA) and develop it for this purpose, subject to conditions.

## **Recommendation(s)**

1. To consider the responses to the consultation that took place with residents regarding the proposal to appropriate Hardwick Lane Recreation Ground from the Council's General Fund to the Housing Revenue Account, thus making it potentially available for housing purposes.
2. To approve the appropriation of Hardwick Lane Recreation Ground from the General fund to the Housing Revenue Account.
3. To delegate authority to the Executive Lead Member for Strategic Housing, Executive Director of Place and the Corporate Resources Director to agree an appropriation value based upon an external valuation of the land.

### **The following recommendations are subject to the approval of recommendations 1-3.**

4. To approve the development of Hardwick Lane Recreation Ground for the purpose of affordable housing.
5. To grant delegated authority to the Executive Lead Member for Strategic Housing, Executive Director of Place and the Corporate Resources Director to negotiate and formalise final scheme costs, specification and delivery.
6. 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 for the purpose of affordable housing.
7. To grant delegated authority to the Executive Lead Member for Strategic Housing and Executive Director of Place, to contract, on behalf of the Council, with Homes England, for the purposes of receiving subsidy to ensure that the proposed development is financially viable.

## **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. Doing so will help meet the needs of the 4000+ applicants on the Housing Register and will help deal with the growing issue of homelessness in the District.

The Council has utilised its own land holdings for the purpose of building new affordable homes, doing so helps ensure the development is affordable and makes the best use of available land resources.

The Council is conscious about the need to balance building new homes with the loss of open space and amenity. On balance, in view of its current use and the availability of other open spaces in the area, it is felt that Hardwick Lane Recreation Ground is potentially suitable for development.

## Alternative Options Considered

Leave Hardwick Lane Recreations Ground as it is, as open space. This option is not recommended because there is a need for affordable housing and on balance it was felt that there were sufficient suitable open spaces within the locality and that the site is suitable for development.

## Detailed Information

Hardwick Lane Recreation Ground is located at the northern edge of Hardwick Lane, Sutton in Ashfield, near the junction with Union Street. Running along two of the three sides are industrial/retail units, with family homes on the remaining side.

The site is owned by the Council and sits within the General Fund as public open space. It is said to be used for dog walking, exercising and general recreation.



## **Appropriation of the site from the General fund to the Housing Revenue Account**

To be considered for housing purposes Hardwick Lane Recreation Ground must first be appropriated into the Housing Revenue Account. The Council is legally obliged to consult with residents regarding any proposed appropriation.

The Council committed to consulting with residents and to feedback their views and comments to Members, for them to make an informed decision on the proposal.

Consultation was conducted in accordance with the relevant legislation and included notices being displayed near the site entrance and Public Notices being included in the local newspaper (on 5<sup>th</sup> and 12<sup>th</sup> July 2023).

A total of 68 responses were received from residents plus a petition of 568 names and addresses of residents objecting to the appropriation. Appendix 1 includes a report regarding the consultation process, including a breakdown of responses and the objections raised.

The report (Appendix 1) attempts to provide a balanced view of the issues raised. It includes all of the concerns raised by residents and also any explanation, mitigation or counter-viewpoints. Doing so ensures Members are in possession of the full facts when making their decision.

Members are asked to note the submission from Miss Linfield and family, who live next door to the site and have needs that require particular consideration.

The loss of an open space such as Hardwick Lane Recreation Ground is not something the Council does without weighing up all of the costs and benefits. Having been through this process, officers recommend that on balance the site should be appropriated to the Housing Revenue Account and should be considered for affordable housing.

If approval is given to appropriate the site to the Housing Revenue Account, the General Fund will need to be compensated based upon the market value. A site valuation has been undertaken by an external valuer and the recommendation is that the Executive Director - Place and the Corporate Resources Director use this as a basis for discussion, negotiation and agreement on the final figure.

### **Proposal to develop Hardwick Lane Recreation Ground for affordable housing.**

As part of the Planning Application process, plans were submitted to build 40 new affordable homes on Hardwick Lane Recreation Ground. The plans consist of 2 x two bed bungalows, 8 x one and two bed flats, 10 x two bed houses, 18 x three bed houses, and 2 x four bed homes.

The four bed houses will include the fourth bedroom and a wetroom on the ground floor, making them suitable for larger families where one member is a wheelchair user. Meeting the needs of such families is exceptionally difficult and these homes will have a significant beneficial impact.

Attempts have been made to ensure the proposed development fits in with the surrounding houses and the local neighbourhood. In addition, officers have been in contact with Miss Linfield and family regarding their specific needs and will be doing everything possible to ensure the development is sympathetic to their needs.

The Council will have community contributions to make as part of any development. Contributions towards local healthcare facilities, transport and bus infrastructure, education and open space facilities will be required. These contributions will help alleviate some of the concerns raised by local residents about the impact of the proposed development on local services. The contributions are costs that have been budgeted for as part of the overall scheme costs.

Discussions have been held with Homes England regarding a contribution towards the cost of developing the site for affordable housing. The Council has been provisionally awarded £2.28m (£57k per plot). The remaining costs of circa £5.44m will be paid from the Housing Revenue Account.

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 40 and so is considered affordable.

The Planning Application for 40 units of affordable housing was considered and approved at the Planning Committee Meeting in August 2024.

## 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:** The Council is able to appropriate land from the General Fund to the HRA and vice versa but must do so in accordance with the powers under which the appropriations are to be made, and in compliance with wider public law decision making principles. Section 19 of the Housing Act 1985 provides power to appropriate land from the General Fund into the HRA.

The Council will need to make adjustments to its accounts to reflect the appropriation. [RLD 28/08/2024]

**Finance:** The land value of £1.1m has been adjusted by the cost of the pumping station (£150,000) and required community contributions for transport, travel, education and health (£187,660) to give an appropriation value of £762,340. The scheme pays back in 40 years. [PH 03/09/2024].

<b>Budget Area</b>	<b>Implication</b>
General Fund – Revenue Budget	N/A
General Fund – Capital Programme	Land Appropriation to the value of £762,340 (credit).
Housing Revenue Account – Revenue Budget	£310k additional rental income per annum
Housing Revenue Account – Capital Programme	£7.701m cost of development

### **Risk:**

<b>Risk</b>	<b>Mitigation</b>
The appropriation of Hardwick Lane Recreation Ground from the General Fund to the Housing Revenue Account is not approved	All correct procedures have been followed in respect of the appropriation process. Responses to the consultation have been taken into account and considered responses given.  If the appropriation is not approved the development cannot proceed as the land will remain within the General Fund.
Cost price inflation makes the development unviable	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.  Surveys conducted as part of the Planning application should highlight any issues or concerns with the land that could lead to unexpected costs.

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.
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## **Human Resources:**

There are no direct HR implications contained within the report (KH 27.08.24)

## **Environmental/Sustainability:**

Approval of the recommendations will lead to the loss of an existing green space and its associated flora and fauna. The existence of other green spaces in the locality will ensure that there is sufficient open land available for recreational purposes.

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.

## **Equalities:**

An Equalities Impact Assessment has been completed. The assessment identified potential negative impacts on younger and older residents and those with a disability as a result of the loss of Harwick Lane Recreation Ground as a play facility and as an open space for exercising and socialising. This is mitigated by the fact that there are other open spaces within close proximity that offer the same or better facilities.

From a positive perspective, the proposal to build new affordable homes, including bungalows and family houses, will benefit younger and older residents, including those with a disability.

In respect of the socio-economic impact, concerns have been raised about the availability of school places and access to GP services. To help address this, the Planning conditions would require the Council to make a contribution to education and health services, to ensure there is sufficient local supply.

## **Other Implications:**

N/A

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

N/A

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

N/A

## **Background Papers**

N/A

### **Report Author and Contact Officer**

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