

<b>Cabinet Meeting</b>		<b>Agenda Item: 13</b>
<b>Meeting Date</b>	4 October 2017	
<b>Report Title</b>	Sale of Sites to Optivo	
<b>Cabinet Member</b>	Cllr Duncan Dewar-Whalley, Cabinet Member for Finance and Performance	
<b>SMT Lead</b>	Nick Vickers, Chief Financial Officer	
<b>Head of Service</b>	Anne Adams, Head of Property Services	
<b>Lead Officer</b>	Kent Parker, Estates Surveyor	
<b>Key Decision</b>	Yes	
<b>Classification</b>	<b>Open with restricted appendix</b>	
<b>Forward Plan</b>	<b>Reference number:</b>	
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. That the Council agrees in principle to transfer the freehold of the sites to Optivo for the sums set out in Appendix III.</li> <li>2. That the Head of Property Services in consultation with the Cabinet Member for Finance and Performance be authorised to finalise the terms and the Head of Legal Services be authorised to complete the necessary legal formalities in due course including advertising the proposed disposal of open space.</li> </ol>	

## **1 Purpose of Report and Executive Summary**

- 1.1 As part of the Council's Income Generation review work has been undertaken on a number of sites adjacent to Optivo (formerly Amicus Horizon sites). The objectives being to generate capital receipts for the Council and enable an increase in affordable housing supply.
- 1.2 The purpose of this report is to obtain approval for the freehold transfer of the Council owned sites at Evergreen Close, Iwade and Colegates Close, Oare (as shown on the attached plans Appendix I and II) to Optivo with a view to developing them for new affordable housing provision.
- 1.3 The sites were retained as potential future development plots but currently have no suitable access for development. Development can only take place in conjunction with the adjoining land owned by the housing association, Optivo .
- 1.4 As a result of the Council's landholdings review Optivo have agreed to acquire the sites for development of affordable housing subject to planning permission.

## **2 Background**

- 2.1 The sites were retained by the Council following the transfer of the housing stock to Swale Housing Association in 1990 as potential development land.
- 2.2 The sites were considered as part of the Council's recent landholdings review. The sites are located within former Council house estates now owned by Optivo. Vehicular access to both sites for development requires the cooperation of Optivo as the adjacent land owner.
- 2.3 Discussions were therefore held with Optivo who undertook feasibility assessments which concluded that both sites had potential for a development of affordable housing. Pre application advice has been obtained and an independent valuation for each site.
- 2.4 The sale of the sites will be subject to planning permission being granted. The site at Evergreen Close, Iwade is currently maintained by the Council as a grassed amenity area. The loss of this open space will therefore be considered as part of the planning application. It will also be necessary to advertise the proposed disposal of open space land under s.123 (2A) of the Local Government Act 1972 and consider any objections that may be made.
- 2.5 The site at Colegates Close, Oare can only be accessed via the adjacent garage site owned by Optivo. Some of the garages are now privately owned. The proposed development involves the demolition of the existing garages and re-provision of a smaller number of garages.

## **3 Proposals**

- 3.1 Optivo anticipate that the Evergreen Close site could accommodate 4 no. 3 bed houses and the development at Colegates Close in conjunction with the garage site could accommodate 7 no. 2 bed houses.
- 3.2 Optivo have offered to purchase both sites at the value stated in the independent valuations subject to full planning permission being obtained. The purchase price is set out in the exempt appendix III. The sale price for the site at Colegates Close reflects the cost of rebuilding the garages which is estimated at £150,000.
- 3.3 It is recommended that the sites are sold to Optivo at the stated values which is considered to be the best consideration reasonable obtainable. It is considered that the sites could only be developed in conjunction with Optivo's land which is required to facilitate a suitable access

## **4 Alternative Options**

- 4.1 Do nothing i.e. site at Evergreen Close to remain as open space and site at Colegates Close to remain vacant: This is not recommended as it would not achieve any capital receipt or deliver the proposed new affordable housing.
- 4.2 Dispose of the sites on the open market: This is not recommended as without a suitable access or planning permission the best consideration would be unlikely to be achieved.

## 5 Consultation Undertaken or Proposed

- 5.1 Consultations have been carried out with the Chief Financial Officer, Head of Resident Services and Head of Economy and Community Services through the Asset Management Group who support the proposal. The Greenspaces Manager has been consulted and has no objection to the proposal.
- 5.2 Optivo have also had initial discussions with Planning Services regarding their proposals. In respect of the site at Evergreen Close, Iwade the issues that will need to be addressed in any application are the loss of the current use as open space/amenity land and the layout of the scheme.

## 6 Implications

Issue	Implications
Corporate Plan	The proposal contributes to A Borough to be Proud Of by helping to deliver small scale regeneration and additional good quality affordable housing. It also contributes to A Council to be Proud Of by disposal of underused land for a capital receipt which strengthens our financial resilience.
Financial, Resource and Property	The consideration to be paid for the sites is set out in the exempt Appendix III. The proposal will also remove the Council’s liability for managing and maintaining the sites in the future.
Legal and Statutory	The proposed disposal will be for the best consideration reasonably obtainable in accordance with section 123 of the Local Government Act 1972. It will also be necessary to advertise the proposed disposal of open space land under s.123 (2A) of the Local Government Act 1972 and consider any objections that may be made.
Crime and Disorder	None identified at this stage.
Environmental Sustainability	The new homes will be constructed to the highest energy efficiency rating
Health and Wellbeing	The provision of new good quality affordable housing will benefit the health and wellbeing of the residents

Risk Management and Health and Safety	There is a risk of planning permission not being granted for either site in which case the proposal could not proceed in respect of that site.
Equality and Diversity	
Privacy and Data Protection	None identified at this stage.

## **7 Appendices**

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: Site Plan – Evergreen Close, Iwade
- Appendix II: Site Plan - Colegates Close, Oare
- Appendix III: (Restricted) – Details of sale price

## **8 Background Papers**

None