

Report of	Meeting	Date
Corporate Director (Business) (Introduced by the Executive Member for Economic & Regeneration)	Executive Cabinet	15 November 2007

SALE OF LAND AT FAIRVIEW FARM, ADLINGTON

PURPOSE OF REPORT

1. To seek approval for the transfer of land at Fairview Farm, Adlington to Places for People Housing Association at nil value for the development of affordable housing.

RECOMMENDATION(S)

2. To recommend the Council to transfer the land to Places for People Housing Association at nil value subject to the Association being successful in obtaining funding from the Housing Corporation in the 2008-2011 National Affordable Housing Program and satisfactory nomination negotiations to the properties.

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

1. To ensure that a supply of low cost and social housing is maintained in the Borough.
2. The Council has a corporate target of providing 250 units of affordable housing by 2009, last year a total of 9 units were completed and none were granted planning permission. This development alone has the potential to provide almost 20% of the corporate target.
3. Places for People have also indicated that they will recycle £900,000 of their Social Homebuy Grant on the development, which in turn reduce the amount that is requested from the Housing Corporation.
4. The land was recommended for the use of affordable housing in 1999, when the original planning permission was granted for the Fairview Farm development.
5. The development of the site was identified in the Council's 2005 Housing Strategy as a proposed development of key strategic relevance.
6. If successful the development will provide approximately 42 units of affordable housing, It is currently proposed to place five 2-bed houses and nine 3-bed house on the site for social renting, and twelve 2-bed houses, three larger 2-bed houses, and thirteen 3-bed houses for

low cost sale, however ongoing discussions are taking place with Development Control.

7. If Places for People Housing Association are unsuccessful in the bid for funds, the land would remain in Council ownership and it would be able to enter into negotiations with other providers.
8. The Housing team are currently negotiating over nomination rights to the development. Although not agreed it is envisaged that the Council will have 100% nomination rights to initial lets and 50% of all subsequent lets.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

9. Transfer of the land at market value, the scheme would be at risk due to the additional funding required from the upcoming National Affordable Housing Program 2008-2011. The consequence of requesting additional funding is less funding will be available for other proposed new developments within the borough. The Housing Corporation who fund the National Affordable Housing Program may choose not to offer funding to the development due to high costs per unit.
10. Transfer the land to another Registered Social Landlord. The Council could negotiate with another social housing provider, however, discussions with Places for People have been ongoing for a number of years and any agreement reached with another Association would 'sour' the working relationship between the Council and Places for People, who are the borough's second largest housing provider. Any Housing Association would be faced with the same difficulties in securing funding if purchasing the land at market value.

CORPORATE PRIORITIES

11. This report relates to the following Strategic Objectives:

Put Chorley at the heart of regional economic development in the central Lancashire sub region		Improved access to public services	
Improving equality of opportunity and life chance	✓	Develop the character and feel of Chorley as a good place to live	✓
Involving People in their Communities		Ensure Chorley is a performing Organisation	

BACKGROUND

12. A report named Provision of Affordable Housing – Fairview Farm, Adlington was discussed during the June 2007 Executive Cabinet. This report recommended that Chorley Council enters into an agreement with Places for People Housing Association to transfer the land at Fairview Farm for the purposes of providing 42 affordable housing units and to include social rented and low cost housing.
13. Liberata have conducted a land valuation on the plot which has been identified for low cost housing purposes. Strategic Housing have been informed that the current valuation taking into consideration the sale to a Housing Association its designated use for affordable housing, the sites restricted access, culvert and hilly incline is £650,000.

IMPLICATIONS OF REPORT

14. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	✓	Customer Services	
Human Resources		Equality and Diversity	
Legal	✓		

COMMENTS OF ASSISTANT CHIEF EXECUTIVE (BUSINESS TRANSFORMATION)

15. By offering the land at nil value is effectively sacrificing a potential capital receipt in exchange for the nomination rights. The Council is at liberty to do this in order to achieve its corporate objectives.

COMMENTS OF THE CORPORATE DIRECTOR OF GOVERNANCE

16. As this will be a disposal of land at less than the best consideration than can reasonably be obtained it will need the consent of the Secretary of State. There is though a general consent which applies where:

a) the local authority considers that the disposal is likely to contribute to the promotion or improvement of the economic, social or environmental well-being of the area, its inhabitants or some of them and

b) the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000

The disposal will also need to comply with the European Commission's state aid rules."

JANE MEEK
CORPORATE DIRECTOR (BUSINESS)

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Ian Aldred	5552	15 Oct 07	***