

Agenda Item No: 12
Report To: Cabinet
Date of Meeting: 24th February 2022
Report Title: Rolvenden – land acquisition in the HRA
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Sharon Williams – Head of Housing
Portfolio Holder Cllr. Paul Clokie – Portfolio Holder for Housing



Summary:

Housing services is excited to announce it has agreed in principle a deal to buy the land adjacent to its independent living scheme at Monypenny in Rolvenden. Subject to planning permission, this brings the potential benefit of the Borough Council bringing forward some affordable housing for those with either a local need or a local connection to the parish. It also extends the strong working relationship the Borough Council has enjoyed with the Parish Council and, at a time when the progression of planning applications is hampered by the Stodmarsh nutrient neutrality concerns, this site sits outside of that catchment area.

The Council's high ambitions to increase the affordable housing stock levels in its Housing Revenue Account (HRA) have been enhanced by the delegated authority afforded in 2019 by Cabinet to the Head of Housing (in consultation with the Head of Finance and IT and the portfolio holders for housing and finance and IT) so that the Council can act quickly in the marketplace if suitable pieces of land become available to buy.

This form of acquisition is particularly important when the Council has either built on, discounted or earmarked preliminary plans for, all of the suitable land currently in its ownership. Fresh pieces of land need to be added into its portfolio to provide fresh pipeline options.

Key Decision: Yes

Significantly Affected Wards: Rolvenden and Tenterden West, though neighbouring wards may be involved once allocation criteria are agreed.

Recommendations: **The Cabinet is recommended to:-**

- I. Note and endorse the acquisition being made under the delegated authority afforded to housing services under recommendation VII in the cabinet report agreed in December 2020**

II. Note exempt Appendix B and note the acquisition price of the land

Policy Overview:	<p>Building on solid foundations: delivering affordable homes in Ashford – our delivery plan for 2019-2023</p> <p>Housing Strategy Framework Priority 1 – Improve the supply of affordable housing to meet local housing needs in urban and rural areas, and Housing Statement 2018-2023</p> <p>Reform of Housing Revenue Account (HRA) – Cabinet endorsed five key priorities for further spend, as a result of greater freedom within the HRA.</p> <p>National Housing Strategy 2011 – delivering new homes under the affordable rent model.</p> <p>A Charter For Social Housing Residents – Social Housing White Paper 2020.</p> <p>A Guide to Developing Affordable Homes in Rural Communities (Kent Housing Group [KHG]) – February 2021</p>
Financial Implications:	<p>The Council's HRA Business plan was agreed by Cabinet members in December 2021 and agreed to be a robust plan that enables the Council's housing service to increase its housing stock as well as move towards the Corporate Plan goal of achieving carbon neutrality. The viability of individual acquisitions is assessed by officers on a site by site basis and fed into the plan as a whole. In this instance there are no adverse impacts from the acquisition and proposed costs of building out a scheme on this piece of land, therefore the decision has been taken to proceed with the acquisition.</p>
Legal Implications:	<p>Section 167 of the Localism Act 2011 gave effect to Schedule 15 of that Act and, since the coming into force of Schedule 15, English local authorities have been required to be self-financing in relation to their housing stock, financing their housing stock from their own rents.</p>
Equalities Impact Assessment:	<p>See attached at Appendix C - The assessment does not identify any adverse impacts on any client group.</p>
Data Protection Impact Assessment:	<p>The impact on Data Protection will be undertaken for each individual project at the appropriate time.</p>
Risk Assessment (Risk Appetite Statement):	<p>Risk associated with HRA new-build projects is assessed fortnightly by officers within the appropriate teams involved in the projects. These meetings identify any implications for the sites being progressed. Further risk assessments are made on each individual project at the appropriate time.</p>

Sustainability Implications:

The HRA Business Plan includes assumptions regarding the Council's ambition for carbon neutrality and the programme of 'de-carbonisation' of HRA stock. In addition to this each project and acquisition is individually assessed to include the potential costs and benefits of carbon neutrality. Any scheme delivered here would be no different.

Other Material Implications:

Design and construction standards will comply with Ashford spatial standards (complying with Residential Space and Layout SPD), Lifetime Homes (a standard the Council has set out for Registered Social Landlords) and Code for Sustainable Homes level 3 (which has been committed to for Page 17 Homes England purposes), and level 4 on energy. Emphasis on the building envelope will deliver the greatest benefits for landlord and tenant

Exempt from Publication:

Yes, Exempt Appendix B

This is not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 and the public interest in maintaining the exemption outweighs the public interest in disclosing the information

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Report Title: Housing Revenue Account Business Plan 2021-2052

Introduction and Background

1. As members heard in December 2021 in the HRA Business Plan update report, the Council has high ambitions to continue to grow its HRA stock. Presented to members here is a further site the Council has been able to agree to acquire – a site in Rolvenden adjacent to its independent living scheme at Monypenny.
2. This piece of land represents an excellent acquisition for the Council for several reasons. Essentially it will help the Council to increase the number of affordable homes in the HRA.
3. Officers in the housing service would very much like to thank the Ward member for Rolvenden and Tenterden West for notification of its imminent availability. This is the second time in the past couple of years where a ward member has kindly highlighted a piece of land to the housing service and that there has been encouragement from the ward member to investigate a possible purchase (the other being by the member for Goat Lees). Having these types of recommendation from local councillors is something that the housing service is immensely grateful for.

Authority to proceed

4. Delegated authority was agreed in 2019 by Cabinet to give the Head of Housing (in consultation with the Head of Finance and IT and the portfolio holders for housing and finance and IT) the ability to acquire land up to the value of £5m within the HRA.
5. The purpose of seeking this authority was three-fold:
 - To enable the council to buy land given that it has almost exhausted its own current in-house options
 - To streamline the process of approval, enabling the HRA to act quickly in the marketplace to buy this land
 - To acquire sufficiently-sized parcels (at the top end of that monetary value) in order to deliver both small-to-medium-sized schemes for itself and maybe work in partnership with RPs, or providers of homes built through modern construction methods, on larger parcels – sharing risk and reward

An exciting opportunity

Planning considerations

6. This specific piece of land in question represents an excellent acquisition and a really exciting opportunity for the Council to accelerate the delivery of its affordable homes programme. It is the former vicarage site in Rolvenden, owned by the Diocese of Canterbury, whom the Council would like to thank for their professionalism and patience throughout the negotiation process.

Situated adjacent to the Council's independent living scheme at Monypenny, the piece of land is in the centre of the village, in close proximity to the High Street, and has the potential to be a strong scheme in the heart of the community – obviously subject to planning permission.

7. It is important to state that the housing service is simply asking members to note the acquisition here. Any new homes are subject to planning permission being obtained. In no way does this report seek to influence the planning committee as that process is entirely independent of this process and must remain so. This report is purely provided for members to note. It is for housing services to make the case for the proposed development to all stakeholders, including planning officers and committee.
8. Rolvenden is also in an area of the borough unaffected by the Stodmarsh nutrient neutrality issues that have been holding up numerous applications across parts of the Ashford borough, and other boroughs in the county. Therefore, subject to planning permission being obtained, the site could potentially be progressed earlier than other sites that are currently held in the planning system until a formal and satisfactory resolution is found.

Proximity to existing scheme

9. The location of the land means the Council should, through the acquisition, have the ability to control the development that is proposed there in such a way to not impose on the quality of life enjoyed by the residents in the main scheme or bungalows next door.

Stakeholders

10. Additionally, the council has previously enjoyed a very good working relationship with the Parish Council in Rolvenden through the work it undertook with West Kent Housing Association in the allocation of the Halden Field scheme. Here, the willingness of the RP to hold a community roadshow event, supported by the Parish and Borough Councils, which advised all interested locals on how to apply and be considered for the shared ownership properties and how to apply to be on the housing register for the affordable rent homes, was well received.
11. The Borough Council will commit to working very closely here with the Parish Council, the ward member and all residents with any proposals that are subsequently put forward and help to establish if there could be a sensible and proportionate number of homes providing housing for those with a local connection or local need in the parish.
12. Rolvenden has undertaken a lot of work on its Neighbourhood Plan, which has been adopted by the Borough Council. Through the work of the Rural Housing Working Group, endorsed by Cabinet in May 2021, local needs surveys can currently be undertaken in greater volume by the Council and therefore the Borough Council has approached Rolvenden Parish Council to ask if it would like the Borough Council to fund a local needs survey in its parish, to complement the work done for the Neighbourhood Plan. Such a survey will also provide an additional evidence base when commenting on planning applications in Rolvenden.

Allocations

13. Should any proposed homes be approved by planning in due course, allocating residents to the homes will depend on whether the site is deemed in planning terms to be an exception site or not. The planning process will

determine if the site is an exception site. Allocations would work on a local needs basis if the site was an exception site, and on a local connection basis if it was not. **Appendix A** details the difference between the two methods.

14. It is worth pointing out that if the site was deemed to be an exception site then the homes would remain as affordable housing in perpetuity. This would see residents in any social or affordable rent properties unable to have the right to buy those homes and any shared ownership home owners would only be able to staircase up to 80% of the property, they could not own it outright.

Due diligence

15. The Council has carefully looked at the financial implications to ensure that the acquisition of this piece of land does not have a detrimental impact on the HRA Business Plan. All factors are taken into account, including the expected number of homes and build costs, anticipated rental income, expected maintenance and repair charges and likely grant subsidy. Safe in the knowledge that the site is viable for us at the acquisition price (which is revealed in **Exempt Appendix B**) delegated authority has been agreed as per the constitution.
16. The Council commissioned an independent valuation of the land through a local company it always uses for such acquisitions and the Diocese also commissioned a section 119 valuation to ensure best value for the land is being obtained. Both valuations have returned and contain no red flags that would halt the progression of the acquisition for either party and there is a reasonable tolerance between valuation findings. In-house legal support will be provided through the expertise of the Senior Legal Assistant, who oversees acquisitions in the HRA from street purchases to land. This will ensure that the transaction proceeds smoothly. Heads of terms have already been exchanged between our legal officer and the solicitors working for the Diocese of Canterbury.
17. The tenure and size of the homes the Council would look to build will be decided in due course. A local needs survey, when undertaken, will guide those thoughts. Points relating to access and design etc will be worked out with the community as matters progress. For the guidance of members and the community, a plot of this size in a rural area would ordinarily command a density of 10 homes but this will need to be explored and consulted upon.
18. Any new homes would of course be as low carbon as possible. The Council takes its role in delivering quality homes incredibly seriously and aligning its own priorities to the Corporate Plan is really important, so these measures will be considered during the design phase.

Risks to the HRA Business Plan

19. The acquisition and proposed construction of this site in isolation does not pose any risk to the HRA Business Plan. Therefore, the view has been taken that the acquisition should proceed on the agreed terms and that the process of engaging stakeholders and moving the project forward will begin in earnest once the site is in the Council's ownership. Paragraph 16 indicates the work undertaken to establish the financial viability of the site in the context of the Council's overall affordable homes programme.

Equalities Impact Assessment

20. Members are referred to the attached assessment at **Appendix C**. The assessment is undertaken considering the specific area the site sits in and the outcomes are listed in the report, which broadly cites no negative impacts on those currently living in the village.

Consultation Planned or Undertaken

21. A range of internal and external stakeholders will be consulted as plans develop and then a formal community consultation will be held in an agreed format in due course ahead of any application being submitted to planning. This will take time but care will be taken to include all relevant stakeholders at all part of the process.

Next Steps

22. While the acquisition of the site moves to completion, consultation will begin immediately. The Borough Council will work with the Parish Council to agree the commissioning of a formal local needs survey, before the steps mentioned above are progressed. Design and formal consultation will follow and ultimately if planning permission is granted (for consent to carefully demolish the vicarage and then build new homes), then there will be further consultation over allocation too. These processes will be carefully advanced in the coming months and updates will be included as part of the annual HRA update report to members in the autumn.

Conclusion

23. There are a number of strong reasons for the HRA to acquire this piece of land in Rolvenden, given its location adjacent to Monypenny and sitting outside of the Stodmarsh catchment area, and its availability. This has the opportunity to be an exciting project and once again the housing service's delegated authority has enabled it to act with considerable agility in a competitive marketplace. The HRA Business Plan can accommodate a proportionate scheme on this piece of land and a scheme will therefore be developed in consultation with stakeholders in the parish that will benefit the village as a whole.

Portfolio Holder's Views

24. This represents another very good piece of business for the Council and its housing revenue account. The Council is now establishing a reputation for being serious about land acquisition and proving that it can deliver quality affordable homes for those who need them most.
25. With a proven track record of delivery, I have no doubt that the new homes proposed here will be an asset to the community and I urge all stakeholders to engage with the work of housing officers when the time comes to comment and ensure that the best scheme possible is delivered.

Contact and Email

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Local connection and local need – rural sites

Local Connection

This is a criterion included in [our Lettings Policy](#), where over a period of two years, 50% of rural properties within our stock will be offered to applicants who meet the local connection criteria set out in the policy. The applicant will have a need for the size and type of property available, we will not under occupy. Where there are no applicants with a local connection, the property will be let to an applicant without the connection. These are not properties on exception sites.

On new build sites in rural locations, again not exception sites, we will offer 100% of the properties to those applicants with a local connection on first let. Subsequent lets will be as per the usual lettings policy criteria as detailed above.

Page 60 of [the lettings Policy](#) talks about this in greater detail and gives full detail of the qualifying parishes and the criteria applicants need to meet.

Local Need property

These are properties built on exception sites, for the purpose of providing housing for local people. The section 106 planning agreement will specify the criteria applicants must meet, and the cascade of parishes that will be considered if there are insufficient applicants from the principal parish.

Local Needs sites are usually owned and managed by housing associations – in Ashford Borough we have a large number of these sites, mainly with English Rural Housing Association – though in the case of Rolvenden, we would be looking to manage the site ourselves.

These properties are let outside of our Lettings Policy, although the properties are advertised through our Choice Based Lettings system, and applicants need to be registered on the housing register. We would pass a shortlist of applicants with a connection to the appropriate parishes once an advert had closed, and they then make a decision on who best fulfils the local connection criteria for that property.

They will prioritise those with a housing need, and those who have the need for the type and size of property, but are able to let the property to someone without a housing need, or who would under occupy the property, if there is no one more suitable with the local connection.

There's a small piece on this at Section 39.1 (page 76) of [the Lettings Policy](#).