



**EAST STAFFORDSHIRE BOROUGH COUNCIL**

**REPORT COVER SHEET**

<b>Title of Report:</b>	Options Appraisal for Lynwood Road, Branston
<b>Meeting of:</b>	Cabinet
<b>Date:</b>	15 May 2017
<b>Is this an Executive Decision:</b>	YES
<b>Is this a Key Decision:</b>	YES
<b>Is the Report Confidential:</b>	NO
<b>If so, please state relevant paragraph from Schedule 12A LGA 1972:</b>	[ ]

**Essential Signatories:**

**ALL REPORTS MUST BE IN THE NAME OF A HEAD OF SERVICE**

Monitoring Officer: **Angela Wakefield**

Date ..... Signature .....

Chief Finance Officer: **Sal Khan**

Date ..... Signature .....

**EAST STAFFORDSHIRE BOROUGH COUNCIL**

**Report to Cabinet**

**Date: 15<sup>th</sup> May 2017**

**REPORT TITLE: Options Appraisal for Lynwood Road, Branston**  
**PORTFOLIO: Enterprise and Environment**  
**HEAD OF SERVICE: Andy O'Brien**  
**CONTACT OFFICER: Julia Baker Ext. No. x1592**  
**WARD(S) AFFECTED: Branston**

**1 Purpose of the Report**

- 1.1. To consider the levels of interest in a self-build project at Lynwood Road, Branston, and appraise the options available for the land.

**2 Background**

- 2.1. In accordance with the Self-build and Custom Housebuilding Act 2015, East Staffordshire Borough Council has the responsibility to maintain a self-build register and have regard to this when exercising its planning and regeneration function.
- 2.2. The Council owned site at Lynwood Road in Branston had previously been identified for residential development and as an option for a pilot project to progress a self-build scheme.
- 2.3. Interest levels for the self-build project at Lynwood Road, Branston have been explored.
- 2.4. A Housing White Paper is currently being proposed which principally aims to increase the housing supply and also speed up the delivery of that housing supply.

### **3 Contribution to Corporate Priorities**

- 3.1. Using Council owned land within the Borough to increase the housing supply could stimulate regeneration. As such, this proposal supports the corporate priority to promote local economic growth. The subject of this report is a 2016/17 Corporate Plan target reference PLEG05.

### **4 Main Body of Report**

#### **4.1. The Self Build Scheme**

- 4.1.1. The Council investigated the opportunity to play a greater role in enabling the growth of the self-build sector, by providing land it already owned to deliver a pilot scheme of serviced building plots.

- 4.1.2. The Council owned site at Lynwood Road had been chosen for the proposed pilot scheme. The site appeared to be marketable for a self-build pilot project due to its size, location and existing infrastructure that could be linked into.

- 4.1.3. The Council would provide access roads and utility connections to the plot boundaries and sell 'de-risked' plots, with the principle of planning permission already established, directly to individual private homebuilders.

#### **4.2. Plot Layout**

- 4.2.1. An architect was commissioned to produce a plan with proposed plot boundaries, and a plan with indicative house locations, based on a 3-5 bed footprint.

- 4.2.2. These proposals provided for 25 individual self-build plots which would be suitable for detached dwellings.

- 4.2.3. The 25 plots would be divided into three phases, with the first phase containing 8 plots.

#### **4.3. Price Setting**

- 4.3.1. A local estate agent valued the plots and their valuations could be used to inform reserve prices for a future sales process, however the value of individual plots would ultimately be determined by market demand and prevailing market values of completed dwellings at that time.

#### **4.4. Marketing Strategy**

- 4.4.1. The Council appointed a specialist adviser organisation called BuildStore, who promoted the scheme and hosted the Marketing Event held on 31<sup>st</sup> January 2017 at Branston Golf & Country Club.

- 4.4.2. At this event the opportunity for self-build was explained through marketing literature, and also to gather contact details of interested plot purchasers.

4.4.3. A summary of the feedback from the Marketing event held on 31<sup>st</sup> January 2017 is as follows:-

- 100 people were invited following interest from substantial local and national marketing
- 49 (including couples/families) attendees at the marketing event
- 14 people registered their interest
- 8 on specific plots across the 25 and the rest were general

From this, it would be fair to argue that there is not enough registered interest in a self-build scheme on this site and the Council does not have reasonable assurance on the feasibility of completing all 25 plots. As such, there is a risk that the site would be incomplete from an inability to see self-build on all 25 plots.

4.4.4. Taking into consideration the low level of interest and lack of commitment registered at the self-build event held on 31<sup>st</sup> January 2017 and also with the new Housing White Paper (see below) it would be beneficial to look at other options available for land at Lynwood Road, Branston.

#### 4.5. **Housing White Paper**

4.5.1. The paper principally aims to increase housing supply. The paper also states the reasons for a shortage of houses are that not enough are built, building is too slow and too reliant on few, large house builders. As well as a range of policies aimed at helping to diversify the housing market and helping people to afford a home, the white paper also focuses heavily on changes that can be made to planning law and policy.

4.5.2. As far as building homes faster it talks about making more land available, supporting small and medium size housebuilders and suggests maximising brownfield land, surplus public land and releasing smaller sites to ensure there is a range of sites available on the market.

4.5.3. There is an emphasis on delivering more affordable housing and housing that meets the housing needs of those with particular requirements, such as older and disabled people. The white paper states that the definition of 'affordable housing' will include starter homes, discounted market sales housing and affordable private rent housing.

4.5.4. With the white paper describing a need to deliver more affordable housing, and to enhancing the speed of building homes, self-build developments are arguably not in keeping with shifting Government policy due to the inherent slow nature of the initial sales process and subsequent build. As Lynwood would require a multi-phased approach, a self-build scheme would not realise a residential development as quickly or appropriately as some other development options.

## **5. Options for Lynwood Road, Branston**

- 5.1. Interest levels for the self-build project at Lynwood Road, Branston have been explored. Taking into consideration the low level of interest and lack of commitment registered at the self-build event held on 31st January 2017 there is a high risk of buyers not being found for all three phases of the project. Taking this into account and also with the new Housing White Paper it makes sense to look at other options available for land at Lynwood Road, Branston.
- 5.2. The most up to date book value is £1,145,000 as at 31/12/16.
- 5.3. It would be practical for any housing scheme at Lynwood Road, Branston to fit in with the current area and the needs of the growing population. The White Paper encourages local planning authorities to be pro-active in meeting the housing needs of the community. An example of this is a housing mix including bungalows as this would be in keeping with the surrounding area which predominately consists of bungalows.
- 5.4. For East Staffordshire overall there is a need for an annual requirement of 112 affordable homes, 18% of the total annual housing requirement. There is also a requirement for 1,213 dwellings to meet the needs of older people by 2031.
- 5.5. Other potential options for consideration are as per the below. If one of these options is preferred, the feasibility of implementing the option would be explored.
- 5.6. **Sale to Open Market**
  - 5.6.1. Using the proposals contained within the Housing White Paper as a mechanism for bringing forward development on this site, the Council could look to sell the site to a developer who would provide residential development on the land.
  - 5.6.2. To pursue this option, it would be practical to complete the outline planning permission process currently underway and sell the land with the principle of a residential development approved.
  - 5.6.3. If this option is preferred, the site will be made available to market and a report will be brought forward outlining the bids received.
- 5.7. **Development Partnership with an RSL or Private Developer**
  - 5.7.1. As in the previous section, a partnership development seeking to bring forward affordable housing would be in line with the proposals within the White Paper. This option would involve identifying a registered social landlord, private developer, or both, and working collaboratively to develop the land. There are also other sites in the Borough which have developed as part of a partnership with a private developer and RSL.

- 5.7.2. For this option, it would not be prudent for the Council to pursue its own planning permission, however the current survey work could be shared with partners to develop a scheme which is appropriate for all.
- 5.7.3. If this option is preferred, the site will be made available to a range of RSL/developer partners on an affordable housing basis and a report will be brought forward outlining the options.

## 5.8. **Retain the Site for Future Review**

- 5.8.1. Whilst the site is suitable for residential development, there is no urgency to bring this forward. However there is a requirement for Local Planning Authorities to maintain a 5 year supply of deliverable housing sites. Another option would be to retain the land as it currently is pending the outcome of the White Paper consultation and review at an appropriate time in the future.

## 6. **Financial Considerations**

*This section has been approved by the following member of the Financial Management Unit: Lisa Turner*

- 6.1. Any decision on bringing forward an alternative style of development on the Lynwood Road site will have financial implications. At this stage they can be summarised as follows:

### 6.1.1 Custom Self Build

The implications for a self-build scheme have previously highlighted a significant VAT implications associated with direct council delivery. If an alternative approach were considered then the detailed business case would be brought forward for further consideration.

### 6.1.2 Open Market Sale

The current market value of the site is £1.145m and therefore a capital receipt within this region could be expected. The cost of outline planning permission amounts to £4k and can be met from the capital receipt.

### 6.1.3 Development Partnership with RSL / Private Developer

Whilst the current market value of the site is £1.145m, the value realised from the site would vary dependent on the exact nature of the partnership arrangement. For example, it is likely that any constraints placed upon the purchaser could have a negative impact of the sum realised from the sale. Likewise, an arrangement whereby the council shared some of the development risks could have either positive or negative financial implications.

### 6.1.4 Retention

If the decision is taken to retain the site as it currently is, then there will not be an opportunity for a capital receipt at this time. This could change under any future review.

## **7. Risk Assessment and Management**

7.1. The main risks to this Report and the Council achieving its objectives are as follows:

7.2. **Positive** (Opportunities/Benefits):

The opportunity to bring forward an appropriate development scheme for the land at Lynwood Road.

7.3. **Negative** (Threats):

The risk of market fluctuations impacting the viability of any development scheme.

7.4. The risks do not need to be entered in the Risk Register. Any financial implications to mitigate against these risks are considered above.

## **8. Legal Considerations**

*This section has been approved by the following member of the Legal Team:  
[Angela Wakefield]*

8.1. The contents of this report are in accordance with the Self-build and Custom Housebuilding Act 2015 and Housing White Paper out for consultation.

8.2. Legal support would be required to complete Development Agreements, if appropriate.

## **9. Equalities and Health**

9.1. **Equality impacts:** The subject of this Report is not a policy, strategy, function or service that is new or being revised. An equality and health impact assessment is not required.

9.2. **Health impacts:** The outcome of the health screening question [requires/does not require] a full Health Impact Assessment to be completed. An equality and health impact assessment is not required.

## **10. Human Rights**

10.1. There are no Human Rights issues arising from this Report.

## **11. Sustainability (including climate change and change adaptation measures)**

11.1. Does the proposal result in an overall positive effect in terms of sustainability (including climate change and change adaptation measures) N/A, sustainability will be considered as a preferred option is identified.

**12. Recommendation(s)**

- 11.1. To consider the levels of interest in a self-build development at Lynwood Road, against the requirements of the site.
- 11.2. To consider the potential of exploring an alternative development method and take a decision on a preferred option.