

REPORT FROM: Housing, Health & Economic Development Services
Manager

TO: Executive

DATE: 24th August 2017

Report Author: Julie Whittaker
Tel. No: (01282) 661038
E-mail: julie.whittaker@pendle.gov.uk

DISPOSAL OF SITES FOR HOUSING

PURPOSE OF REPORT

To provide an update on progress with the housing sites that the Executive have previously agreed to dispose of. To propose a new method of dealing with small housing sites and to propose further sites are considered for disposal for housing development

RECOMMENDATIONS

The Executive is asked to:

1. Note the progress so far on sites that have been agreed for disposal
2. Agree to the establishment of a Developer Panel for the disposal and development of smaller housing sites, subject to a further report setting out the proposed process and criteria for selection
3. Agree to consult with the appropriate Area Committee on the possible disposal of the sites listed in paragraph 8
5. Agree to receive a further report following consultation with Area Committees

REASONS FOR RECOMMENDATIONS

1. To keep members informed of progress
2. To support smaller local developers
3. To dispose of sites that can support the Council's growth objectives

Background

1. In order to stimulate housing growth in the Borough the Council is pursuing a policy of disposing of surplus sites for housing development, where that is an appropriate use for the sites. There are a number of benefits to the Council of disposing of such surplus sites:
 - It supports economic growth by providing a range of house types and tenures to meet the needs and aspirations of people in Pendle
 - It helps us deliver our Core Strategy target of 298 net new homes a year
 - It increases the Council Tax base
 - It increases the level of New Homes Bonus brought into Pendle
 - It will support the delivery of a future capital programme including bringing forward brownfield sites and dealing with the existing stock
 - It reduces revenue costs of maintenance

Progress

2. Over the last few years the Executive have agreed to the disposal of a number of sites for housing and the progress on these sites is set out in the table at Appendix 1. As Members will see, development has been completed on three sites (58 houses) and is underway on three other sites, either through PEARL2 or Together Housing (50 houses). Several further sites have been disposed of or offers have been accepted.
3. Whilst there has been good progress on the majority of sites there are a number of small sites (suitable for less than 10 houses) that we have not disposed of due to viability issues. Small sites are particularly difficult to make viable when they are brownfield, in areas of low house values, or where services cross the site. Although we have managed to make progress on some of these we now feel that it is appropriate to review our approach to the disposal of smaller sites.

Proposed Developer Panel

4. We have a number of smaller developers operating within Pendle and they have highlighted that they struggle to acquire sites of the right size for them and at a price which makes schemes viable. Smaller developers often have lower overheads than larger developers and can work to lower profit margins, so subject to obtaining land at a reasonable price can often make smaller sites viable.
5. Currently when the Council declare sites surplus they are usually put on the open market and the highest bid is accepted. This gives us very little control over who buys the site and how quickly they develop it. In order to support local small developers, and to have more certainty over development, we are proposing to set up a Developer Panel. This would ask for developers who were interested in being on the Panel to provide information about their company, their track record of housing development and their ability to finance developments. Subject to them meeting the agreed criteria they would be accepted onto the Developer Panel. Pendle owned sites that were declared surplus and were suitable for upto 10 houses would usually be offered to the Panel first before being put on the open market. The exception to this would be if Pendle's site was part of a larger scheme with other landowners involved, such as Together Housing. Having a Developer Panel should give us greater control over who buys the sites and will help to ensure that they are developed out in a reasonable timescale.

6. If the Executive accept the principle of a Developer Panel then a process and criteria for selecting developers will be developed and a report will be brought back to a future meeting seeking approval.

Bringing forward further sites

7. Now that progress has been made on many of the sites previously declared surplus it has become apparent that further sites need to be brought forward to support a pipeline of housing delivery. This would enable further capital receipts to be generated that could be used for reinvestment to support other member priorities such as dealing with poor quality existing housing stock.
8. It is proposed that the sites below are considered for housing development and consultation is held with the relevant Area Committees:

Site	Town	No. of properties (estimated)
Aspen Grove	Earby	20
Bailey Street	Earby	8
Red Lion Street	Earby	15
Leach Street	Colne	16
Byron Road	Colne	8
Harrison Drive Recreation Ground	Colne	84
	Total	151

9. The first three of these sites have been proposed as sites to bring forward for development in earlier reports, but Members have not previously wished to declare them surplus. Now that good progress has been made on many of the sites previously declared surplus it is suggested that these are considered again. The Leach Street site in Colne is one that Together Housing have said that they would like to develop for affordable housing at the same time as the Bright Street site (previously declared surplus) as this would assist with viability. The Byron Road and Harrison Drive sites are adjoining existing Together Housing properties and would support the delivery of further affordable homes. The Bailey Street site would be suitable to offer to the Developer Panel, when established.
10. Subject to further survey and design work it is estimated that the sites above could deliver around 150 new homes, for a mixture of open market and affordable housing.
11. Subject to the agreement of the Executive to consult, reports will be taken to the relevant Area Committees and their comments reported back to Executive.

IMPLICATIONS

Policy: The disposal of surplus land is acceptable policy for the Council. The procurement process for a Developer Panel will need to comply with the Council's procurement policies.

Financial: Disposal of sites will generate capital receipts.

Legal: Procurement of a Developer Panel will need to comply with procurement legislation.

Risk Management: None directly arising from this report

Health and Safety: None directly arising from this report

Sustainability: None directly arising from this report

Community Safety: None directly arising from this report

Equality and Diversity: None directly arising from this report

APPENDICES

- 1 – Progress with sites agreed for disposal
- 2 – Aspen Grove, Earby
- 3 – Bailey Street, Earby
- 4 – Red Lion Street, Earby
- 5 – Leach Street, Colne
- 6 – Byron Road, Colne
- 7 – Harrison Drive, Colne

LIST OF BACKGROUND PAPERS

Previous reports to Executive:

- 14th December 2011 – Bunkers Hill
- 20th June 2013 – Disposal of Sites
- 25th March 2014 – Update Report
- 23rd October 2014 – Disposal of Sites
- 28th May 2015 – Clitheroe Road
- 20th August 2015 – Disposal of sites for Housing
- 10th December 2015 - White Grove Garage Site and Land at Tyseley Grove
- 30th June 2016 – Disposal of sites for Housing

PROGRESS WITH SITES AGREED FOR DISPOSAL

Site	Town	Approx no. of houses	Progress
Lob Lane Mill (Quaker Heights)	Brierfield	38	Scheme developed by PEARL2. All the properties but one are now sold
Holden Road	Brierfield	12	Scheme developed by PEARL2. All the properties have been sold or are under offer
Clitheroe Road	Brierfield	35	Development is underway by PEARL2 on the first phase of the scheme (35 houses and bungalows) with development due to complete by the end of 2018.
Further Clough Head	Nelson	200	A planning application has been submitted following amendments to the scheme as a result of public consultation. We are in negotiation with HCA for them to acquire and develop the site and they are currently going through a due diligence process.
Bamford St/Tweed St	Nelson	5	The site is being disposed of for self-build (part of the Right to Build Vanguard). Offers have been accepted on two plots and the remaining three are being remarketed
Cooper St	Nelson	2	Disposal of the site was agreed subject to planning permission, which has now been obtained. It was originally anticipated that upto eight houses would be developed but the purchaser just wishes to develop two large properties.
Bunkers Hill (Ph1)	Colne	8	Scheme developed by PEARL2 for Together Housing.
Bright St	Colne	14	PEARL2 and Together Housing are working to finalise a scheme with the aim of submitting a planning application later in the year
Great House Farm, Red Lane	Colne	12	The site has been disposed of and the new owner has submitted a planning application for this site and the adjoining one
White Grove Garage Site	Colne	12	Site sold to Together Housing and development of affordable housing is underway
Briercliffe Ave	Colne	3	Site sold to Together Housing and development of affordable housing is underway
Hartleys Terrace	Colne	9	Site advertised and offer accepted.
Halifax Road	Brierfield	40	We were looking at the possibility of progressing a joint scheme with Lancashire County Council who own adjoining land but this does not now seem likely and we will need to decide how best to bring forward our own site
Small sites for proposed Developer Panel (upto 10 units)			
Trent Road	Nelson		
Mansfield Crescent	Brierfield		
Bunkers Hill (Ph2)	Colne		It was originally intended that the site would be developed by PEARL2, along with an adjoining site owned by Lancashire County Council, but viability is an issue. The Pendle owned land could be disposed of separately

Hawley St/Knotts Lane	Colne		
Bold Street/Colne Lane	Colne		
Thomas St Car Park	Colne		