

SALE OF COUNCIL OWNED LAND – YEW LEA, SOUTHAMPTON ROAD, CADNAM

1. INTRODUCTION

- 1.1 This report seeks the Portfolio Holder for Housing's agreement to the sale of council owned land at Yew Lea, Southampton Road, Cadnam, Hampshire.

2. HISTORY

- 2.1 Yew Lea was an acquired two-bedroom bungalow which was vacated in 2002. The property required major structural work and treatment for rising damp.
- 2.2 The estimated cost of repair was £40,000 and this would still not bring the property up to modern standards. A range of options was considered by Officers including redevelopment, disposal on the open market and disposal to a housing association.
- 2.3 The Portfolio Holder for Housing decision of 11.2.03 approved disposal to a housing association for demolition and construction of a two storey building split into two flats, subject to planning consent.
- 2.4 Further investigations were undertaken by Western Challenge Housing Association (WCHA) to progress this proposal. However, soil survey results revealed that the land surrounding Yew Lea was contaminated.
- 2.5 In addition, WCHA had proposed that in order to better meet local housing need, that the replacement dwelling should be a three bedroom house. A planning application was submitted in January 2004 and a bid for grant funding made to the Housing Corporation.
- 2.6 Planning Consent was granted for a replacement dwelling, but unfortunately, WCHA were unsuccessful in securing grant. WCHA were unable to make the proposal financially viable without public subsidy and WCHA were unable to proceed with the project.

3. DISPOSAL

- 3.1 The Parish Council wrote to the Council's Director of Community Services in May 2004 raising their concerns that the property had remained unoccupied for nearly two years.
- 3.2 The previous options were reconsidered again including re-building and refurbishment. However the costs for both proposals were escalating. The cost of re-building would be in region of £138,000 (General Fund) and refurbishment was estimated to be £84,000 (HRA). These figures did not allow for contamination and remediation works of the site.
- 3.3 Yew Lea was demolished in summer 2005. Before disposal could be agreed, the extent of the land contamination had to be considered, as this could have a direct implication on the land value.
- 3.4 A Consultant was employed to advise the Council and the report showed that the contamination indications were minimal and that if the site were to be developed, the contamination might easily be dealt with by preparatory surface stripping. The consultant further advised that the Council, as owner, should not be required to carry out any of the works to remediate the site under Part II Land Contamination Act.
- 3.5 A review of the land value was then undertaken by the Council's Valuer in December 2006. It is in his opinion, that if the land is sold on the open market it will generate a receipt in the region of £100,000 (one hundred thousand pounds).
- 3.6 The Valuer also recommended that the plot be sold at auction, rather than by formal tender. The reason for this is that at auction, the bids are legally binding, therefore the buyer is obliged to do all the research into the legal title, contamination, financial issues etc. prior to the auction and that the final bid is committed.

4. CONSULTATION

- 4.1 The Ward Councillor supports the decision to dispose of land at Yew Lea by public auction.
- 4.2 The proposal is supported by the Council's Strategic Asset Management Group.

5. FINANCIAL IMPLICATIONS

- 5.1 The sale of land at Yew Lea will generate a capital receipt in the region of £100,000. The Council will be able to keep the full receipt realised if it is wholly used for affordable housing. Proceeds of the sale will be ring-fenced for the Housing Revenue Account. If this is added to the capital allocation within the Housing Capital Programme for affordable housing, it will result in a minimum of 2 affordable units being provided.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 The disposal of the land at Yew Lea for development will address the minor land contamination issue of the site.

7. CRIME AND DISORDER IMPLICATIONS

- 7.1 There are no crime and disorder implications arising from this report.

8. RECOMMENDATION

- 8.1 That the land at Yew Lea is sold for the best possible price on the open market and that the proceeds are used to provide additional affordable housing with the District.

I agree the recommendation.....  Cllr Jill Cleary
Portfolio Holder for Housing

Date... 22/5/2007

Date Notice of Decision given..... 30 May 2007

Last date for call-in 6 June 2007

For further information contact:

Background paper

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