

## BRECKLAND DISTRICT COUNCIL

**Report of:** Trevor Carter, Executive Member for Assets  
Elizabeth Gould, Executive Member for Planning Building Control and Housing

**To:** Cabinet – 24 March 2015

**(Author:** Kirsty Mallett, Land Management Officer)

**Subject:** Land at Oaks Close, Swaffham

**Purpose:** To enable the redevelopment of a redundant garage block resulting in the regeneration of an area of Swaffham through the creation of 6 new affordable new homes via lifting a restrictive covenant and releasing rights of way and access on land previously owned by the Council

### **Recommendation(s):**

Option 1: Release the relevant restrictive covenants, rights of way and rights of access and the transfer of land within Breckland Council's ownership to Flagship Housing for the provision of 6 new affordable housing units and obtain £35,000 as per Flagship Housing's proposal.

### **1.0 BACKGROUND**

- 1.1 This report provides the Council with a significant opportunity to enable and support the redevelopment of a derelict area of Swaffham resulting in the provision of 6 new affordable energy efficient homes for the residents of the district and it enables the provision on 1 private dwelling. It results in a small regeneration scheme which will enhance the whole area and contribute to the supply of affordable housing to help reduce the housing waiting list.
- 1.2 Breckland Council transferred its housing stock to Flagship (Flagship) Housing Group in 1993 including some of the garage blocks. At the point of transfer a restrictive covenant was imposed preventing the garage blocks from being developed or redeveloped and requiring them to be used only as garages, parking or amenity areas serving the residential dwellings.
- 1.3 Due to the changing nature of the way people live, garages in blocks are less used and are less favourable and this block has recently become disused and is now in poor condition. Similar to what has happened in other areas of the district, Flagship proposes to re-develop this redundant garage block at Oaks Close in Swaffham to provide 6 new affordable homes (2 bed, semi detached dwellings). This will not only regenerate that area of Swaffham it will also provide and contribute to the required affordable housing in the area. Currently the proposal is to build 2 bed homes as that is the highest need although this may revert to 1 bed homes should that be the priority need at the relevant time.
- 1.4 It is Flagship's intention to submit a planning application in 2015 and subject to receiving a grant from the Homes & Communities Agency, begin construction in March 2016.
- 1.5 Prior to the planning application submission, Flagship has requested that Breckland Council release the restrictive covenant(s) imposed in the 1993 Transfer to enable their redevelopment to proceed. The proposed release of covenant(s) will also allow Flagship to grant an access to the owner occupier of No. 8 Oaks Drive who has secured planning

permission to build a new private dwelling in their rear garden. Thus creating another new dwelling in the area.

- 1.6 To enable this new development to occur a small parcel of land (designated as highway land) still owned by the Council needs to be transferred to Flagship.
- 1.7 The Council's valuation based on Flagship's proposals is as follows:
- (1) release the restrictive covenant(s) for the redevelopment of the redundant garage block and (2) transfer the small area of land together is £60,000.
  - (3) provide new access to the proposed private dwelling is £40,000.
- Therefore the total value relating to Flagship's proposals is £100,000.
- 1.8 Flagship obtained an independent valuation for (3) which was £35,000 and this has been confirmed by the Council's Valuer as an acceptable sum for (3). Thus the total valuation stands at £95,000.
- 1.9 Flagship's proposal includes a financial summary which identifies that in order to make the scheme viable for a Homes & Communities Agency (HCA) funding bid Flagship are unable to pay more than £35,000 for all of (1), (2) and (3) above. Therefore Flagship will contribute £35,000 only for the all of (1), (2), and (3) in total.
- 1.10 In exchange of foregoing £60,000 the Council is supporting and enabling the following to occur:
- The regeneration of a derelict garage block with the delivery of 6 new 2 bed (semi detached) affordable homes for rent within Swaffham to meet the affordable housing needs in that area.
  - Delivery of 1 new private dwelling.
  - An increase in Council Tax revenue and potential New Homes Bonus to support further development of this nature.
  - New development on previously developed land.
- 1.11 The Flagship appraisal confirms that new affordable unit will cost £139,200 to construct. These new homes will meet the Code for Sustainable Homes Level 4 and Lifetime Homes standards which will ensure energy efficiency and flexibility of living for Breckland's residents.
- 1.12 By their very nature garage site redevelopments have high inherent costs that make them less viable than Greenfield sites due to demolition (possible safe removal of asbestos), breaking out of concrete hardstanding, ground remediation, reconfiguration of services and provision of displaced parking to existing households. Even with borrowing and an HCA grant scheme such as these can still be unviable.
- 1.13 There is a pressing need to resolve this matter as the owner-occupier of the private dwelling has suffered delays whilst Flagship and Breckland negotiated over the valuation. The private owner-occupier has contractors on stand-by to start this new build.

## 2.0 **OPTIONS**

- 2.1 **Option 1:** Release the relevant restrictive covenants, rights of way and rights of access and the transfer of land within Breckland Council's ownership to Flagship Housing for the provision of 6 new affordable housing units and obtain £35,000 as per Flagship Housing's proposal. In taking this option the Council foregoes £60,000 in exchange for the wider

regeneration and housing supply benefits that are created in that area.

2.2 **Option 2:** Release the relevant restrictive covenants, rights of way and rights of access and the transfer of land within Breckland Council's ownership to Flagship Housing for the provision of 6 new affordable housing units for £95,000.

2.3 **Option 3:** To release the restrictive covenant for the rights of way and rights of access to facilitate the access to No. 8 Oaks Drive only for the sum of £35,000 and defer the request for the re-development of the garages to a later date once Flagship have secured planning permission.

2.4 **Option 4:** Do nothing.

### 3.0 REASONS FOR RECOMMENDATION(S)

3.1 The following reasons support **Option 1:**

- Enable the provision of 6 much needed affordable housing units. Flagship has confirmed that 100% of these units will at first be let to people on the Breckland Council housing waiting list. Flagship has confirmed that they are unable to pay anything more than £35,000, else the scheme is unviable.
- This will allow the re-development of a redundant, derelict garage block (subject to planning permission) and makes better use of sites that are presently prone to anti-social behaviour.
- Provision of energy efficient housing.
- Enables development of one new private residential unit.
- There are currently approximately 2,500 households across the entire waiting list for Breckland with approximately 550 households in the priority bands of Gold and Silver (being those in most need of re-housing).
- Flagship has indicated that they have previously found it uneconomical to proceed to development in the Breckland area as it was unviable to do so. As a result Flagship has been developing out of the area which is not assisting the Breckland waiting list.
- An increase in Council Tax revenue and potential New Homes Bonus to support further development of this nature.

### 4.0 EXPECTED BENEFITS

4.1 As per all the items listed in section 3.0 above.

4.2 Generate a capital receipt for the Council.

### 5.0 IMPLICATIONS

#### 5.1 Carbon Footprint / Environmental Issues

5.1.1 It is the opinion of the Report Author that there are no implications.

## 5.2 **Constitution & Legal**

5.2.1 It is the opinion of the Report Author that there are no implications.

## 5.3 **Contracts**

5.3.1 A Deed of Release will be required.

## 5.4 **Corporate Priorities**

5.4.1 Pride in Breckland and Developing Stronger Communities.

## 5.5 **Crime and Disorder**

5.5.1 It is the opinion of the Report Author that there are no implications.

## 5.6 **Equality and Diversity / Human Rights**

5.6.1 It is the opinion of the Report Author that there are no implications.

## 5.7 **Financial**

5.7.1 Proforma B attached

## 5.8 **Health & Wellbeing**

5.8.1 It is the opinion of the Report Author that there are no implications.

## 5.9 **Risk Management**

5.9.1 There is a risk with option 2.3 above. To release the restrictive covenant(s) to facilitate the access to No. 8 Oaks Drive only is likely to impact on the legal formalities i.e. only releasing the covenant(s) from part of the land when the whole extent of the land is registered under one title. We will need to make sure that the legal documentation ensures the restrictive covenants are still enforceable on the remaining land to protect Breckland Council as the Covenantor and therefore requiring Flagship to approach Breckland at a later date to re-develop the redundant garage block.

## 5.10 **Staffing**

5.10.1 It is the opinion of the Report Author that there are no implications.

## 5.11 **Stakeholders / Consultation / Timescales**

5.11.1 Consultation with the Ward Representatives.

## 6.0 **WARDS/COMMUNITIES AFFECTED**

6.1 Swaffham

## 7.0 **ACRONYMS**

7.1 None.

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Background papers:- See The Committee Report Guide

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**Director / Officer who will be attending the Meeting**

Name and Post: Kirsty Mallett – Land Management Officer

**Key Decision:** Yes / No

**Exempt Decision:** Yes / No

**This report refers to a Mandatory Service / Discretionary Service**

**Appendices attached to this report:**

Appendix A Plan showing land ownership  
Appendix B Flagship's proposed site plan  
Appendix C Flagship's Development Financial Summary  
Appendix D Proforma B