

**RESIDENTIAL DEVELOPMENT SITE ,
MOORHOUSE DRIVE HUNTINGDON**
(Joint report by the Head of Housing Services and Head of Legal and Estates)

1. PURPOSE OF REPORT

- 1.1 To consider the disposal of the council owned site at Moorhouse Drive, Huntingdon.

2. BACKGROUND INFORMATION

- 2.1 This site was identified in the Oxmoor Action Plan for residential development. The adjacent redundant church has since been purchased and demolished to enlarge the site area to 1.25ha (3 acres). Outline Planning Permission has now been granted which includes provision for 29% of the dwellings to be affordable housing. The site is due to be advertised for sale by tender early next year once the marketing details have been prepared including a draft section 106 agreement. A number of house builders have already expressed interest in the site having become aware of the planning application.
- 2.2 During the discussions with Huntingdonshire Housing Association Ltd (HHP) for the acquisition of Sapley Square, it was agreed that HHP would be the nominated registered social landlord for Moorhouse Drive (Cabinet report 29.1.04). Prior to securing the Growth Area Delivery Grant (GADG) funding, HHP submitted a bid to the Housing Corporation for Social Housing Grant to fund the affordable housing element of the Moorhouse Drive development. This bid was successful and a grant of £480,000 has been secured. However, the funding is available on condition that some spend occurs before before March 2006.
- 2.3 Initially, it was anticipated that the Moorhouse Drive site might be marketed at an earlier stage but the GADG funding enabled other sites (Butts Grove way, Coxons Close and California Road) to be brought forward increasing the Council's workload. The HHP bid was made in anticipation of being able to secure the affordable housing site in sufficient time to enable it to take up the grant funding. This delay is not the making of HHP. It is fair to say that if the sale of the land, to a developer, had taken place earlier there still would have been some uncertainty in the timing of the affordable housing coming forward. Nevertheless, HHP are in danger of losing the grant funding if site acquisition/start on site for the affordable housing element is not made by them before March 2006.
- 2.4 A proposal has been put to the Housing Corporation to move the grant funding to other affordable housing sites on Oxmoor. While this approach has been accepted in the past, the Housing Corporation have changed the rules this year and will only fund the Moorhouse Drive site if it achieves spend in this financial year. The alternative option is to consider a sale of the whole site to HHP.

3. IMPLICATIONS

- 3.1 Under the Code of Procurement, which also applies to sales of assets, the disposal of land would normally take place following the receipt of sealed tenders after a period of marketing. The Code does not cover a situation whereby the sale of development land takes place to one purchaser. Therefore Cabinet approval is required if this arrangement is to be adopted.
- 3.2 In order to ensure that the best consideration reasonably obtainable is being achieved, an independent valuation would be obtained for the site. This would be based on the information being prepared for marketing including a draft section 106 agreement.
- 3.3 Any sale to HHP would need to incorporate provisions to ensure there is an agreed programme of development and to protect the Council's position should the site not be developed in whole or HHP wish to sell on the site or part of the site.

4. CONCLUSIONS

- 4.1 The sale of the site to HHP would enable the grant to be drawn down this year. Without the grant, the affordable housing element would be delayed and it may be necessary to alter the housing mix to incorporate more shared ownership.

5. RECOMMENDATION

- 5.1 It is recommended that:-

- (a) the sale of land at Moorhouse Drive, Huntingdon, to HHP be approved in principle
- (b) the Director of Central Services, after consultation with the Executive Councillors for Resources and Welfare, and Finance, be authorised to approve the detailed terms for sale.

BACKGROUND INFORMATION

- Oxmoor Action Plan
- Site Location Plan (attached)
- Report to Cabinet 29.1.04

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