

REPORT TO:	Cabinet Member (Housing and Safer Communities)
DATE:	22 November 2022
SERVICE AREAS:	Housing and Property
REPORTING OFFICER:	Head of Housing and Property <i>(Jenny Kerfoot - Executive Officer, Housing Growth)</i>
SUBJECT:	Disposal of HRA sites at Park Row, Knaresborough and North Road, Ripon
WARDS AFFECTED:	Knaresborough Castle Ward Ripon Ure Bank
FORWARD PLAN REF:	N/A

1.0 PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek approval for the disposal of Housing Revenue Account land at Park Row, Knaresborough and North Road, Ripon.

2.0 RECOMMENDATIONS

- 2.1 That, subject to the appropriate legal safeguards, Housing Revenue Account (HRA) land at Park Row, Knaresborough be sold to Karbon at market value to provide two affordable homes in partnership with Knaresborough Community Land Trust (KCLT).
- 2.2 That, subject to the appropriate legal safeguards, HRA land at North Road, Ripon be offered for sale at market value for residential development in accordance with the provisions of para 5.7 below.

3.0 RECOMMENDED REASONS FOR DECISION

- 3.1 Planning permission has been granted for the provision of housing on both sites subject of this report as part of an ongoing programme of development of underutilised HRA sites. Disposal of both sites is considered the best way to meet the council's wider objectives for housing provision, whilst ensuring that Land Release Fund (LRF) monies allocated towards infrastructure costs at Park Row, Knaresborough are spent in accordance with grant timescales.

4.0 ALTERNATIVE OPTIONS CONSIDERED AND RECOMMENDED FOR REJECTION

- 4.1 To implement the planning permissions and develop the homes in-house. Following consultation with the In House Development Team (IHDT), this is not recommended. Whilst the council has developed a number of small, difficult HRA sites, both Park Row and North Road have particular issues and sensitivities such that neither site is considered feasible or viable for development by the council in the short term.
- 4.2 To retain both sites in their existing use. This would mean retention of two underutilised garage sites, and an ongoing management and maintenance liability to the HRA. Disposal of the sites with planning permission will generate a substantial capital receipt to the HRA, whilst making best use of the land for new homes.

5.0 THE REPORT

Park Row, Knaresborough

- 5.1 The site is a small strip of land between Park Parade and Park Row in Knaresborough, just off a busy thoroughfare to the town centre (see location plan at Appendix 1). It is home to seven brick built garages, six of which are empty. As part of the council's programme of garage site development, approval was granted by Cabinet Member (Housing and Safer Communities) on 27 October 2020 to progress the site to planning permission and development by the IHDT as affordable rented housing. Planning permission was subsequently granted for 2no. 1-bed bungalows, which would both improve the street scene and help address significant affordable housing need in a central location. Government grant of £30,000 was also secured towards site investigation and infrastructure costs. Failure to develop the site within grant timescales puts this funding at risk.
- 5.2 This is a challenging site with a number of constraints. It is adjacent to the Conservation Area and close to a substantial tree. Development will mean the partial closure of Park Row, one of the main roads into Knaresborough. In addition, there is unclear title to the lane at the rear of the site, over which access will be required in order to build out the planning permission.
- 5.3 Notwithstanding these constraints, KCLT is keen to develop this site in partnership with Karbon, one of the council's RP partners. KCLT was formed with the support of the council to deliver community led affordable housing projects within the local area, whilst Karbon is committed to developing community-led housing as part of its wider development programme. It is proposed that Karbon acquires the Park Row site at market value and develops it as affordable housing, accessing Homes England grant.
- 5.4 To ensure that reuse of the site benefits the local community, legal safeguards on the transfer will ensuring that it is developed for affordable

housing or the land returned to council ownership. The council will waive nomination rights to these two homes in favour of KCLT.

- 5.5 The council already has a healthy pipeline of sites programmed in for development by IHDT over the next two years for which officers have also secured significant grant funding, again subject to meeting challenging development timescales. It is important that officers focus efforts on these sites. Disposal of Park Row to Karbon will accelerate the delivery of two much needed affordable homes for local people and ensure that grant funding of £30,000 is retained by the council.

North Road, Ripon

- 5.6 This site comprises a row of brick built garages between North Road and Bridge View Road, Ripon (see location plan at Appendix 1A). It received Cabinet Member approval on 14 May 2019 to progress to a planning application and development. Unfortunately, the approved planning permission for conversion of garages to form a 3-bed bungalow cannot be implemented due to the existing foundations being unsuitable for the change of use in this high gypsum area. Thus, the only option is to demolish the existing garage units and form a new building. This will require a new planning application and ground investigation works, which will mean further delay and cost, rendering the project less viable as affordable housing and unachievable within the short term.
- 5.7 As with Park Row, and following consultation with IHDT, it is recommended that the council focus its efforts on its current development programme and disposes of this site too. There is no existing community housing trust in Ripon. As such, it is proposed that the site be offered first to the council's RP partners at market value, subject to planning and for the provision of affordable housing. Should there be no interest (and this site may well be too small for most), it is proposed that the site be sold on the open market. The council will also make applicants on its self and custom build register aware of the availability of the plot for sale and development.
- 5.8 A Valuation Office Agency market valuation has been obtained for each of the two sites based on development required to achieve the highest and best value. This valuation (which is a requirement of Homes England in the payment of grant and which should be updated at the point of sale if disposal is delayed) will be payable by Karbon for Park Row and by any RP partner interested in developing North Road. Should disposal be on the open market however, colleagues in Asset Management will handle the sale and the sales value will be open to negotiation (as with any land or property sale).

6.0 REQUIRED ASSESSMENTS AND IMPLICATIONS

- 6.1 The following were considered: Financial Implications; Human Resources Implications; Legal Implications; ICT Implications; Strategic Property/Asset Management Considerations; Planning Implications; Risk Assessment; Equality and Diversity (the Public Sector Equality Duty and impact upon

people with protected characteristics). If applicable, the outcomes of any consultations, assessments, considerations and implications considered necessary during preparation of this report are detailed below:

Financial Implications

- 6.2 Disposal of Park Row to Karbon in partnership with KCLT will deliver two affordable homes at nil cost to the council and in the short to medium term. It will eliminate management and maintenance liability and safeguard the council's LRF grant allocation of £30,000 towards infrastructure costs. Disposal of North Road to an RP (subject to planning) will lead to the development of affordable homes at nil cost to the council and to which the council will retain nomination rights.
- 6.3 In both instances, Homes England grant will support payment of market value by an RP as evidenced by a RICS valuation at the point of sale. Should the sale of North Road ultimately be agreed to a private developer or for self-build, this value may be subject to negotiation.

Legal Implications

- 6.4 Ongoing legal advice will be required for the disposal. It should also be noted that the council cannot develop land not in its ownership (rear access road to Park Row garages).

6.5 Strategic Property/Asset Management Considerations

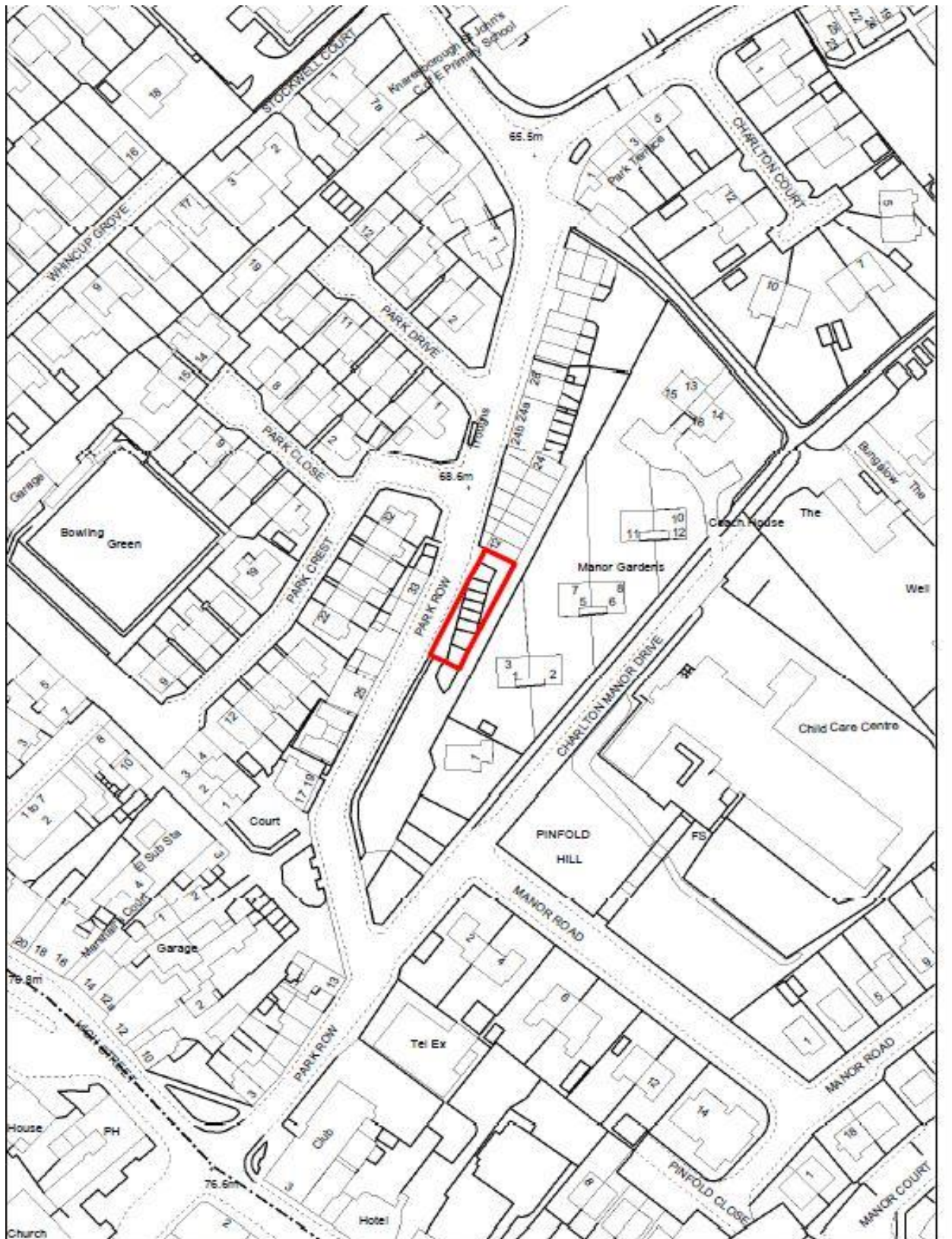
Independent external valuations of the sites have been obtained and the transfer is to occur to RPs at these levels. This is an appropriate approach given complexities of the sites and the desire to ensure community-led/affordable housing is delivered if possible. There is also a need to ensure transfer occurs as soon as possible given particularly high inflation levels in the construction industry and likely further increases in interest rates.

7.0 CONCLUSION

- 7.1 Disposal of Park Row, Knaresborough to Karbon (working in partnership with KCLT) for the provision of two affordable homes is considered the most advantageous option both for the council and local community.
- 7.2 The sale of North Road, Ripon to an RP will be prioritised over market sale. Should there be no interest from RPs however, there is potential to sell the site for self-build, thereby meeting the council's wider objectives, before ultimately selling on the open market. Disposal will generate a significant capital receipt for the HRA, safeguard LRF grant funding (for Park Row) and make better use of sites with a management and maintenance liability, accelerating housing delivery. It is important that sales be progressed swiftly before the market slows.

<p>OFFICER CONTACT: Please contact Jenny Kerfoot if you require further information on the contents of this report at jenny.kerfoot@harrogate.gov.uk</p>

Appendix 1



Harrogate
BOROUGH COUNCIL

GARAGE SITE, PARK PARADE, KNARESBOROUGH

MW 02/10/2019

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1:1,250



Appendix 1A



North ↑ NTS

Location Plan North Road Garages, Ripon