

**SSDC Policy on Land Disposal for Social Housing**

**Introduction**

The Council recognises that the provision of non-strategic areas of land can enable the provision of social housing in meeting the Councils objectives of its Corporate Plan and Housing Strategy. This policy outlines the parameters for the transfer of land as well as the limits of delegation.

**Non Strategic Land**

The Council's disposal policy for surplus land or property identifies that the options to be considered for such assets are social housing, private housing, industrial or leisure/community use. If not required for any of these purposes then the site may be brought forward for disposal on the open market.

The Head of Engineering and Property will consult the following to canvass views on any proposed disposal of land for social housing or car parking in connection with it:

- Head of Economic Dev, Planning & Transport
- Head of Legal & Democratic Services
- Head of Housing & Welfare
- Head of Sports, Art & Leisure
- Head of Area Development
- Head of Streetscene
- Ward Member(s)
- Environment Portfolio Holder

Where the land is to be used for car parking associated with housing, at least 50% of the properties that benefit must be tenants or leaseholders of the RSL or partner.

**Land Value**

In accordance with financial procedure rules the District Valuer must provide a formal report on the market value of the land. A copy of this should be attached to the approval request.

**Authority to Transfer Land**

Where the majority of consultees support disposal of surplus/non strategic land for social housing purposes and is valued at £100,000 or less disposal can be approved by the appropriate portfolio holder (currently Portfolio Holder Health and Housing) in conjunction with the Head of Finance. All land valued greater than £100,000 must be referred to the District Executive for approval.

**Minimum Provision of Rooms**

Except where land is to be used for provision of parking, in most cases the equivalent number of bed spaces provided on the whole development site compared to the value of land must be demonstrated to show that it is equal to or less than the current average contribution that either the Housing Corporation and/or the Council make in grant (i.e. total public subsidy). In 2005/06 the average contribution per bed space is £10,000 and

therefore the value of land divided by the number of bed spaces must be no more than this benchmark figure. An acceptable example is shown below:

	£
Land Value	90,000
No. of bed spaces provided	15
Value per bed space	6,000
Average Contribution (Benchmark)	10,000
Notional saving compared to average contribution per bed space (£10,000 - £6,000)	4,000

Whereas the following example would not be acceptable

	£
Land Value	90,000
No. of bed spaces provided	6
Value per bed space	15,000
Average Contribution (Benchmark)	10,000
Additional notional cost compared to average contribution per bed space (£10,000 - £15,000)	(5,000)*

\*(Brackets) represent additional notional cost

This will ensure that by transferring the land the Council is maximising the best use of it's resources whether financial or land. The relevant Portfolio Holder and Head of Finance will use this benchmark for guidance and also take into consideration other factors such as the relative level of unmet housing need in the area and the likelihood of other opportunities for social housing being procured to meet that need on other sites. If a proposal is deemed by the Portfolio Holder and Head of Finance to be of merit taking these factors into consideration but is significantly above the benchmark it should be referred to the District Executive for approval if the benefit was considered sufficient to warrant transfer outside of the parameters set out in this policy.

### **Scheme costs**

The RSL must be willing to have an open book policy to show the overall financial position of the scheme costs. SSDC officers must investigate whether the scheme can support any financial contribution toward acquisition of the Council's land and document their findings in the disposal request.

Where no financial contribution is to be made by the RSL disposal of land or property will be on the basis of a long leasehold, for such a term as is acceptable to the RSL, their lenders or other source of subsidy at a peppercorn.

Where the Solicitor to the Council determines that a freehold disposal is appropriate in the circumstances, this will be at nil consideration. In all other cases a leasehold disposal should be the preferred method subject to the views of the Council's Solicitor.

The report to the Portfolio Holder & Head of Finance or District Executive should set out the scheme costs and the reasons for the option to be taken.

The RSL or partner must meet the Council's valuation and legal costs of the transfer.

### **Nomination Rights**

In order for SSDC to meet the objectives of its Corporate Plan nomination rights must be made. Where schemes are jointly subsidised (this may be through land and/or capital funding) by SSDC and the Housing Corporation, SSDC must have 100% of nomination rights for the initial letting and 75% of second and all subsequent lettings. For schemes wholly subsidised by SSDC we will retain 100% nomination rights on all lettings. In all cases nomination rights will be in respect of the whole development and not just in respect of any dwelling built on the land disposed of by the Council.

### **Monitoring of Policy**

Schemes must be detailed in an Asset Disposal Form, which is checked by Finance before being submitted for formal approval to the Portfolio Holder and the Head of Finance. All decisions made under delegated authority will be reported through agreed procedures in the Executive Bulletin. The value of land disposed will also be reported in the quarterly Capital Monitoring Reports to the District Executive.

### **Delegated authority**

The Executive delegates approval to the appropriate Portfolio Holder in agreement with the Head of Finance and District Executive to apply this policy within the limits set out in this policy and by the decision of the District Executive on 7<sup>th</sup> April 2005.

Policy updated and approved by District Executive  
5<sup>th</sup> January 2006