

This Report will be made public on 14 January 2020

Report Number **C/19/63**

To: Cabinet
Date: 22 January 2020
Status: Key Decision
Responsible Officer: Andy Blazkowicz – Director, Housing & Operations
Cabinet Member: Cllr John Collier, Cabinet Member for Property Management & Grounds Maintenance

SUBJECT: PROPOSED DISPOSAL OF FERNFIELD LANE

SUMMARY: In December 2018, Folkestone & Hythe District Council (“FHDC” / “the Council”) was granted outline planning permission for 19 houses at its development site at Fernfield Lane, Hawkinge. This report is seeking approval for the disposal of the whole of the site, recommending that marketing of the site commences at the start of 2020 aiming to obtain capital receipts in the 2020/21 financial year.

REASONS FOR RECOMMENDATIONS:

The site at Fernfield Lane is considered to be surplus to current requirements. Capital receipts identified can be used under the flexible capital receipts guidance.

RECOMMENDATIONS:

1. To receive and note report C/19/63.
2. To authorise the Director – Housing & Operations to proceed with the disposal and achieve best value for the Council.

1. INTRODUCTION

- 1.1 In December 2018, the Council was granted outline planning permission by Dover District Council (DOV/16/01450) for a scheme of 19 houses at its development site (“the Site”) at Fernfield Lane, Hawkinge (refer to Location Plan at Appendix 1). The 2.1 hectare (5.12 acre) site is located on the edge of a residential area to the north-east of Hawkinge, with a waste transfer station to the east and farmland beyond that.
- 1.2 The outline planning permission sets a requirement for 30% affordable housing. Six of the plots are allocated as shared ownership housing with the remainder assumed to be self-build.
- 1.3 In April 2019, the Site was valued by the property consultancy Savills and the recommendation from officers is that best value is sought through disposal.

2. BACKGROUND

- 2.1 The Site is located within Dover District Council’s district boundary with the immediate environs located within FHDC’s district boundary. The Site also sits within an Area of Outstanding Natural Beauty and Special Landscape Area and the surrounding area is a Conservation Area.
- 2.2 The layout of the scheme approved includes:
 - Six 2-3 bedroom semi-detached houses with double parking spaces, which are assumed will be the affordable element;
 - Four plots for 4-bedroom detached dwellings with double garages;
 - Three larger plots which back onto Stombers Lane; and
 - Six plots allocated for 3-4 bedroom detached dwellings.
- 2.2 In addition to the dwellings, there is infrastructure associated with the development as set out in the scheme layout as follows:
 - Four spaces for visitor parking;
 - New footpath link to Fernfield Lane;
 - Internal circular road; and
 - Existing recreation ground and play area to be retained.
- 2.3 The outline planning consent also sets out the following requirements:
 - Verification report required for an approved remediation scheme, including removal of Japanese knotweed;
 - Sustainable surface water drainage system;
 - Footpath connection to the street and provision of a footway along the western part of Fernfield Lane;
 - Noise mitigation and sound insulation scheme to account for possible noise from the waste transfer station;
 - Infrastructure reinforcement works to the existing foul sewage system, on and off site. Higher costs associated with this have the potential to reduce the site value; and

There is also a Section 106 Agreement (20th December 2018) which requires various contributions totalling £76,600 (to be indexed until date of payments).

3. OPTIONS

- 3.1 Various options for the site have been considered.
- 3.2 Retain the Site and the Council builds the scheme in accordance with the outline planning permission. This would be resource intensive over a prolonged period of time at a time when the Council is already working on multiple projects.
- 3.3 Sell the Site in multiple parts i.e. sell the six affordable dwellings to a developer/registered provider, with the self-build plots sold on an individual basis. This would take considerable resource over a prolonged period and could result in some plots remaining unsold. It would also mean that the Council would have to invest upfront to put in the site infrastructure.
- 3.4 Sell the Site as a whole with the benefit of the outline planning permission, with marketing of the Site to commence during the first quarter of 2020. Selling the whole site, with the 6 units being delivered for affordable housing by the eventual developer will provide a capital return for the Council whilst providing 6 new affordable units.
- 3.5 Local developers have been contacted to gauge initial potential interest in the Site which has been positive. If the Council does proceed with the disposal of the Site, it could do this by, for example, advertising the Site for sale itself or through appointment of an agent to manage the disposal.

4. FUNDING & FINANCIAL IMPLICATION

- 4.1 The Council is under pressure from increasing budget demands. In response, the Council is striving to source new opportunities to generate capital receipts and revenue streams. Capital receipts previously identified can be used to fund transformation under the flexible capital receipts guidance. It is proposed that the sale of Fernfield Lane will be used for this purpose.
- 4.2 The Section 106 Agreement associated with the Site sets out various planning obligations and contributions once the scheme is developed, totalling £76,600. The valuation by Savills assumes that the Council will meet these payments. If not paid by the Council, this will need to be accounted for in the final price paid by any purchaser.

5. REVIEW AND GOVERNANCE

- 5.1 The Council's Asset Management Board has discussed the options for the Fernfield site and agreed that the most suitable way to progress would be for a disposal of the Site at the highest value. This forms the recommendation to Cabinet.

6. RISK MANAGEMENT ISSUES

Perceived risk	Seriousness	Likelihood	Preventative action
Insufficient interest in the Site resulting in limited interest in the disposal	High	Low	Full and proper marketing to be undertaken to maximise interest in the development opportunity of the Site

7. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

7.1 Legal Officer's Comments (NE)

There are no legal implications arising directly out of this report.

7.2 Finance Officer's Comments (LW)

The financial implications arising from the proposal are contained in the body of this report.

7.3 Diversities and Equalities Implications (AB)

There are no equalities implications arising directly from this report.

8. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

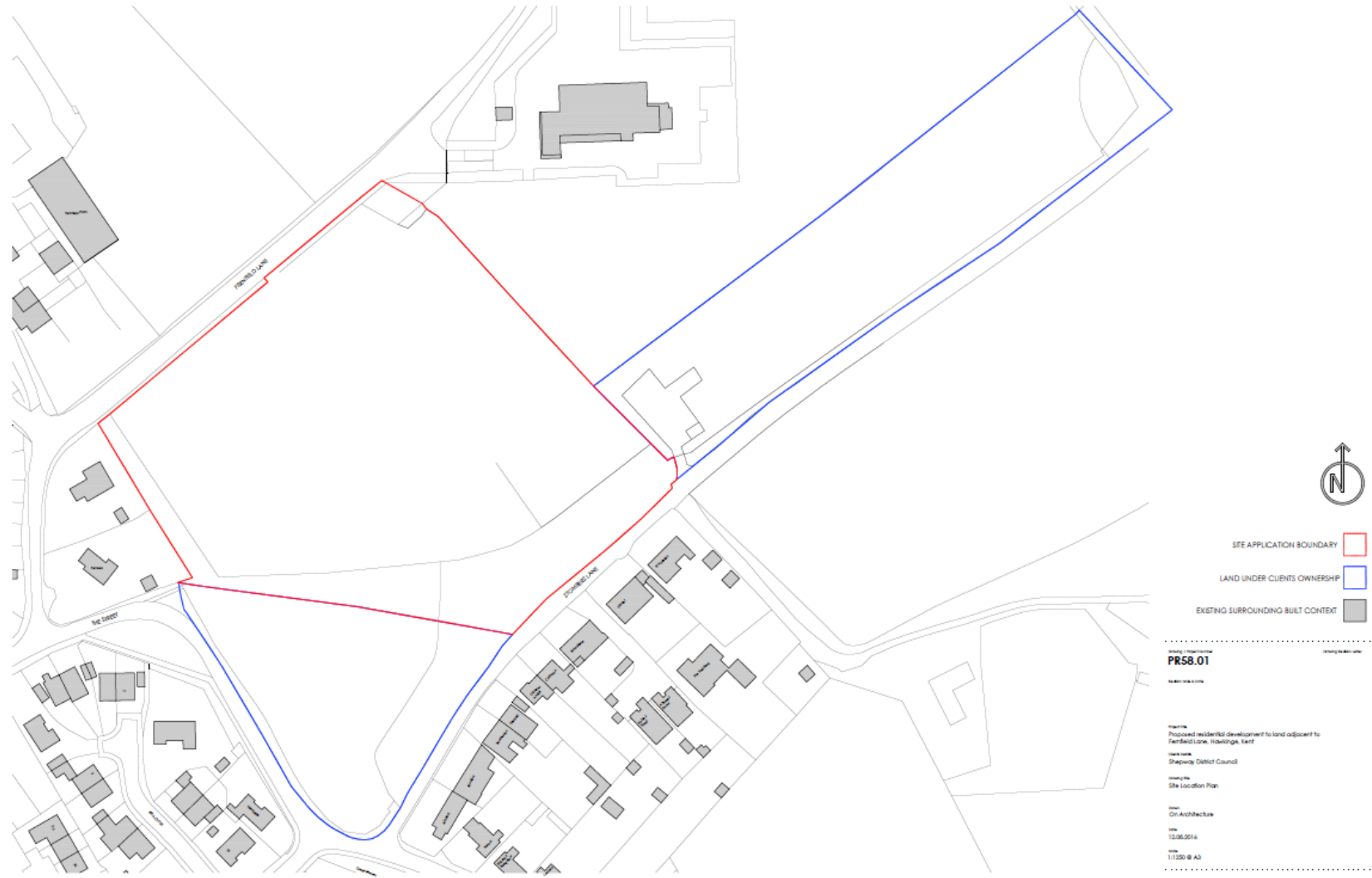
Councillors with any questions arising out of this report should contact the following officer prior to the meeting

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Appendix 1: Location Plan



PROPOSED RESIDENTIAL DEVELOPMENT TO LAND ADJACENT TO FERNFIELD LANE, HAWKINGE, KENT
Site Location Plan

This drawing is for information only and is not to be used for construction purposes. It is the responsibility of the client to ensure that all necessary permissions and consents are obtained before any work commences. The information contained herein is based on the information provided to us by the client and is not to be relied upon for any other purpose. We do not accept any liability for any loss or damage, whether direct or indirect, arising from the use of this drawing.

Project Reference
PR58.01

Client
 Proposed residential development to land adjacent to
 Fernfield Lane, Hawkinge, Kent

Location
 Shepway District Council

Project
 Site Location Plan

Drawn by
 On Architecture

Date
 12.08.2016

Scale
 1:11250 @ A3

ON ARCHITECTURE

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