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| Report to | - | Cabinet |
| Date | - | 4 December 2017 |
| Report of the | - | Executive Director of Business Operations |
| Subject | - | Cemetery Lodge, Bexhill |

Recommendation: It be **RESOLVED**: That:

- 1) the property known as Cemetery Lodge be developed as a community led housing project subject to approval of a development and tenure plan and agreed sale price;
 - 2) subject to planning approval, a new entrance to Bexhill Cemetery is developed from St Marys Lane, with associated works to include landscaping and additional parking provision, the cost to be met from the car park maintenance budget;
 - 3) officers be authorised to make arrangements for the demolition of Cemetery Lodge if required and costs recovered from the sale of the site;
 - 4) in the event a community-led housing scheme is not viable, officers be authorised to offer the property to a registered housing provider for the purposes of delivering an affordable housing scheme; and
 - 5) in the event of no interest from registered housing providers, officers be authorised to dispose of the site on the open market.
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Service Manager: Brenda Mason
Lead Cabinet Member: Councillor Mrs Hughes

Introduction

1. Members will recall that in 2016 Rother District Council was allocated £748,900 of Community Housing Fund (CHF) by central government (Minute CB17/04 refers). The purpose of the funding is to grow the community led housing sector as an additional mechanism of increasing supply of affordable housing. This is a Government response to the increasing number of second homes/holiday homes, impacting on first time buyers and the sustainability of local communities.
2. In July this year, Members approved proposals for spending the Council's CHF allocation to include the development of the Sussex Community Housing Hub by Action in rural Sussex (AiRS), an enabling service aimed at developing this sector and delivering schemes. In response to this, an ambitious target was incorporated in the Service Level Agreement to deliver a minimum of 45 dwellings over the programme period (approximately three to four community-led housing schemes).

3. The purpose of this report is to bring forward a potential scheme under the community led housing initiative for Members' consideration.

Background

4. Cemetery Lodge (250 Turkey Road, Bexhill), is situated on the corner of Turkey Road and St Mary's Lane, at the entrance to Bexhill Cemetery. Appendix 1 shows a plan of the site. The property was constructed in the early 1900s, built as a 3 bedroom detached house. Over time, changes have been made to the property, including conversion and extension to the ground floor to provide office and storage space. The current planning use includes ground floor office use and first floor residential use
5. The last occupant was Bexhill Light Operatic Dramatic & Society (BLODS) who used the property for storage. BLODS vacated in March 2012 and the property has been vacant since this date.
6. In June 2010 a number of housing sites were put forward under The East Sussex Local Investment Plan (LIP) for the purpose of identifying housing investment priorities for Rother. The sites included plans to redevelop Cemetery Lodge as a specialist affordable housing scheme for adults with learning disabilities to be delivered by Ability Housing Association. (Minute CB10/10 refers). The scheme did not progress seemingly due to lack of support and subsequent concerns raised over the suitability of the location for supported housing.
7. Cemetery Lodge has more recently been identified under the Asset Management Plan Corporate Project (2014-2021) as a site with development potential. The 'Income Generation and Asset Management Plan' reported to Members in October this year included a recommendation that eight sites, to include Cemetery Lodge, should undergo an options appraisal.
8. The remainder of this report sets out the opportunity for a community-led housing approach to Cemetery Lodge with further consideration of options should this not prove viable.

Community-led housing scheme

9. Community led housing is a term commonly used to describe homes that are developed and/or managed by local people or residents, in not-for-profit organisational structures. Appendix 2 sets out more detail on the different models. Organisational structure varies but governance is overseen by people who either live or work in the locality of benefit, or are direct beneficiaries of the schemes. Schemes can include new build or existing properties, in both rural and urban areas.
10. It is proposed that the Sussex Community Housing Hub work up the detail for the redevelopment of Cemetery Lodge as a community-led housing scheme. The aim of this approach would be to deliver a number of homes to meet locally identified need in a way that is affordable to local residents. At this stage it is not possible to determine the nature of the development but we can be clear that it will be led by the community and respond to community need.

11. AiRS are keen to pursue this community-led housing opportunity and advise that their early work will identify interest within the community and develop a viable proposal. To this end, they advise that a reasonable period is needed to explore and establish interest. Eighteen months is considered a realistic period of time in which we can reasonably expect a community-led group to become formally affiliated and produce proposals for a feasible scheme at the site.

Site preparation

12. In previous years officers have looked at opportunities to access the cemetery off St Mary's Lane, as the current access into and out of Turkey Road can be problematic. The existing entrance could then be used to increase the plot size and provide a dedicated entrance to the development site, rather than the current shared entrance. This would assist in helping take forward the community-led development. Planning permission would be sought to undertake the new entrance into the cemetery. Planning officers have indicated their support in principle for this approach, subject to consultation. It is proposed that the Council delivers work for the new entrance to ensure the cemetery service is not negatively impacted. Costs associated in undertaking this work have been quoted in the region of £30,000.
13. It is further proposed that authority be granted to demolish the existing premises should the development plan require it. The Lodge has sat empty and has consequently become a fire and safety risk. These issues have escalated in recent months, with two reported break-ins and concerns over the nature of criminal activity taking place inside the property. The monitoring and management of the empty property places additional pressure on police and fire services, as well as the Council. Demolition of Cemetery Lodge is estimated to be in the region of £15,000 and it is intended that these costs will be recovered by sale of the site.

Funding requirement

14. Funding the final scheme will be based on a detailed development appraisal including a development and tenure plan. The local community-led group with the support of the Sussex Community Housing Hub will be responsible for securing external funding opportunities, including Homes and Communities Agency funding and the CHF grant.
15. Land is one of the key obstacles for schemes coming forward, in terms of cost, availability and suitability. By making this site available to a community housing scheme there is a real opportunity for the Council to use its own assets proactively to increase housing delivery. With more funding opportunities available in future, this would also demonstrate Rother's commitment to the Government's policy direction, to grow the community-led housing sector, with the possibility of attracting further funding as a result.
16. It is anticipated that the Council will be able to realise a discounted sale value from the site according to the level of affordable provision secured through the development and tenure plan. For example, affordable/social rent and shared ownership would secure a larger discount than privately owned units. A mix of tenures may be proposed to include market dwellings that could provide cross subsidy to deliver affordable tenures, as well as meet the needs and

aspirations of a range of tenants and buyers. A condition of sale (and as part of the community-led constitution) will stipulate that the tenanted homes must be held in perpetuity for future needs of the community.

17. Cemetery Lodge has recently been valued at £200,000 with a remaining asset life of seven years, to reflect the current property condition. If sold as a development site to include land that is currently the access route into the cemetery then this would increase the value of the site to the order of c£300,000. It is proposed that the affordable housing discount be set at up to 60% of open market value, which will mean the final sale value may be in the region of £80,000 to £120,000 before costs. Therefore based on the upper estimate of value, the Council will achieve a net receipt in the order of £75,000 for the site. These figures are indicative at this stage and a further report will be presented to Members with detailed figures in due course.
18. The final sale value that this Council will realise should also include any financial outlay incurred in preparing the site for development.

Alternative options

19. If a community-led housing solution is not forthcoming, then there are two options for Members to consider:
 - (i) offer the site directly to a preferred registered housing provider for the two purposes of delivering an affordable housing scheme; or
 - (ii) disposal of the site on the open market as a development opportunity.
20. Option (i) will still require the site value to be discounted to make it a viable site, especially if there is an expectation of a high proportion of social rented properties. No discussions have taken place as yet, pending the outcome of the community-led proposal. Option (ii) will maximise the receipt for the Council to either re invest in future affordable housing schemes or to invest in income earning assets as part of the Rother 2020 programme.

Conclusion

21. By utilising the site of Cemetery Lodge for the purposes of delivering a community-led housing scheme is a significant opportunity for the council to take a proactive role in the delivery of housing in the district to meet housing need in the community, in conjunction with tackling an empty redundant property.

Dr Anthony Leonard
Executive Director of Business Operations

Risk Assessment Statement

The Council is under pressure to deliver affordable housing to meet the growing needs of those in housing need. By not utilising the resources we have, we are at risk of failing to meet our statutory housing duties and needs of our community. Additionally, whilst the Service Level Agreement with AiRS is intended to support delivery of affordable homes in the district with agreed outputs, there are many

external factors that are not in the direct control of the project that could prevent delivery, to include availability and suitability of land.

The property is currently standing empty and the Council will come under increasing pressure from nearby residents and the emergency services, if the building is not bought back into use or demolished, to make the site available for redevelopment.