

Report to	-	Cabinet
Date	-	5 November 2018
Report of the	-	Executive Director
Subject	-	Community Led Housing Scheme – Cemetery Lodge

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

- 1) the site of Cemetery Lodge be disposed of with a discount, up to a maximum of 60% of the development value to the Bexhill Community Land Trust (currently the Bexhill Community Land Trust Steering Group) for the purpose of delivering a Community Led Housing Scheme subject to:
 - a. retention of a pedestrian access along the tree lined avenue into the cemetery;
 - b. retention of the existing gates; and
 - c. completion of the new cemetery access off St Mary's Lane.
 - 2) the Executive Director be authorised to agree the final terms of sale of the Cemetery Lodge site to the Bexhill Community Land Trust, and to agree any other conditions deemed necessary; and
 - 3) officers lead on the preparation and submission of an outline planning application of the Community Led Housing Scheme.
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Head of Service: Ben Hook

Lead Cabinet Member: Councillor Mrs Hughes

Introduction

1. In January 2018, Cabinet resolved that a planning application for a new entrance to Bexhill cemetery via St Marys Lane should be progressed. Additionally, Cabinet agreed for officers to explore the level of interest for an affordable Community Led Housing Scheme (CLHS), and to report back progress at a future meeting. This approval provided an initial steer in favour of disposing of the Cemetery Lodge site for this purpose (Minute CB17/61 refers).
2. Members will recall that Cemetery Lodge has been vacant for many years placing a sustained management burden on the Council. Whilst all measures have been taken to avoid break-ins, the empty building continues to be a fire and security risk, warranting regular inspections to satisfy our insurance obligations accordingly. The building is in a dilapidated state, blighting the local landscape and its prominence on the avenue is undesirable for members of the public visiting the cemetery.
3. This report is intended to update Members on progress with the site and to request authority to proceed with a CLHS project, based on the proposals outlined in this report.

Community Interest

4. The Sussex Community Housing Hub (SCHH) was established in 2017 to help grow the community led housing sector. Since this time, the SCHH has actively engaged with various community groups across Rother to establish interest in community led housing.
5. A Steering Group has been established for Bexhill comprising of a number of interested local residents with a range of skills and experience including; local councillors, a local residents' association committee member, a community development professional, a local business person and two street pastors.
6. The Steering Group has agreed that their primary strategic aim will be to develop and/or acquire locally affordable homes to meet a range of local housing needs in perpetuity, and to acquire and manage other land or assets which provide for the local community's social, economic and environmental wellbeing.
7. Following advice from the SCHH of the various legal structures available, the Steering Group has agreed to become legally incorporated as a Community Land Trust (CLT), a not-for-profit-corporation which would allow the development, management and local community ownership of any future housing scheme. In the interim they are referred to as the 'Bexhill Community Land Trust Steering Group'.
8. The SCHH recently supported the Steering Group with a successful application of grant funding from the National Community Land Trust Network totalling £3,800. This funding will be used to pay for the necessary registration and associated fees to become legally incorporated as the 'Bexhill Community Land Trust'. It is expected that this process will be complete by January 2019 and any land transfer agreed will be dependent upon the Steering Group becoming legally incorporated.

Options Considered

9. Cabinet Minute CB17/04 resolved that part of the £748,899 grant from Government for CLHSs could be used to secure the delivery of affordable housing through CLHS projects. The Steering Group has therefore applied for a community housing fund grant from the Council for the sum of £1,000 to commission an architect to assess potential options for the site, with the view that any design should be sympathetic to the surrounding location.
10. Given the location and site layout a number of key points were considered by the Steering Group and architect at this initial concept design stage to include:
 - Proximity to the cemetery.
 - Mature trees constraining development and the avenue as a striking and unique feature.
 - The need to retain the existing pedestrian access to the cemetery.
 - Cemetery Lodge is positioned in the centre of the site.
 - The condition of the existing building.
 - The location is on the outskirts of Sidley / with limited local facilities.

11. In summary, the Steering Group agreed that if they are granted approval to proceed with a CLHS on this site, they would aim to achieve the following project objectives:
- The primary objective is to develop/acquire locally affordable housing.
 - To prioritise affordable rented tenures over all other forms of affordable tenure, and where possible at 50% of open market value.
 - To provide a scheme of smaller one and two bedroom units to meet evidenced local housing need.
 - To include one or two units as shared ownership/shared equity to meet local need and to support cross subsidy of delivering the rented tenure.
 - The Steering Group favour optimising the total number of dwellings that can be delivered on schemes to meet the greatest proportion of housing need.
 - For the affordable homes to be retained in perpetuity for future generations.
 - To maximise the grant funding opportunities available to support the viability of delivering an affordable housing scheme in this location.
12. In response to this the Architects came up with two main development options – see Appendix 1 for further details of the concept design, to include:
- Option 1) Cemetery Lodge demolition and new build.** This would involve demolition of the existing property and clearance around it to enable the creation of a court yard layout. This which would result in overall provision of eight new dwellings, to include; six x two bedroom houses and two x one bedroom flats.
- Option 2) Cemetery Lodge retention.** This would involve conversion of the existing building to form two flats and building an extension to provide two additional flats. This would result in a reduced overall provision of four x two bedroom flats.
13. The Steering Group has unanimously agreed that Option 1) would achieve the greatest number of project objectives outlined above, with the view that this will deliver potentially twice the number of affordable homes as Option 2).
14. In addition to the increased number of dwellings, it is not considered cost effective to retrofit the building to meet current design and space standards required for affordable housing purposes, compared with delivering an outright new build. Any such future housing scheme will however, remain subject to a detailed feasibility assessment, application of grant funding and seeking planning consent accordingly.
15. The initial concept designs incorporate the existing gates as a feature of the new housing scheme, with the view that pedestrian access to the cemetery should be maintained via the existing entrance. Additionally, it is proposed that the tree lined avenue should be retained and incorporated as part of any new housing scheme, with access shared via the new entrance proposed to the cemetery on St Marys Road (pending planning approval).

Delivery and Sale Consideration

16. It is proposed by the Steering Group that following a comprehensive design and community consultation process, a full planning application could be

submitted by December 2019, with construction on site by mid-2020, with completion during 2021.

17. The Steering Group recognise that to progress this project they will need to work with external experts to project manage any acquisition, development, and on-going management of the property accordingly. The SCHH will provide support throughout this process.
18. To expedite the early predevelopment work, it is proposed that the Council should take the lead on applying for outline planning permission of the new housing scheme. This will provide increased certainty to both the Council and the Steering Group over what can be feasibly delivered on this site. Should for any reason the CLHS not progress as planned, the Council will retain the option to sell the site on the open market, benefiting from the uplift in value achieved by gaining planning permission as now permitted by Government following the Town and Country Planning General (amendment) (England) 2018.
19. Government policy encourages local authorities to dispose of surplus land wherever possible, and for land to be sold for the best consideration reasonably obtainable. However, local authorities have within their jurisdiction, the option to dispose of land at undervalue, to include sale of land to a not-for-profit organisation, designed to achieve other social and economic benefits, to include the provision of affordable housing.
20. In view of the objectives of the Steering Group to deliver an affordable housing scheme to meet local need. It is proposed that an affordable housing discount is highly likely to be required but should be set at up to a maximum of 60% of current development value, valued at (£200,000 to £250,000 as a deteriorating asset). This will enable a viable scheme to be delivered, to include maximum provision of affordable rented tenure in accordance with the objectives of the Steering Group. This could generate a sales receipt in the region of £120,000. The final terms of sale will remain subject to a detailed feasibility assessment of a planning compliant scheme and to include provision of grant funding accordingly.

New access to Bexhill Cemetery

21. In conjunction with the above, a planning application has recently been submitted to enable work to progress on the new access to Bexhill cemetery along St Marys Road. This includes provision for a shared access, for a potential new housing scheme at the Cemetery Lodge site.
22. The concept of the housing scheme to include the shared access has been accepted in principle. This is on condition that the cemetery grounds remains distinct from any future housing scheme, to ensure the cemetery services can continue to operate without interference. The detailed design matters relating to access to the housing scheme will form part of a planning application accordingly. It is proposed that this work will be completed before the eventual disposal of the Cemetery Lodge site.

Conclusion

23. Following Cabinet's resolution in January 2018, a community led group has been established. With the support and advice from the SCHH the group has

undertaken a considerable amount of work to demonstrate their commitment in delivering a CLHS on this site. This has included the successful application of funding to become legally incorporated as a CLT and engagement with various partners to consider the potential options for this site. In conjunction with developing a number of sound objectives, prioritising optimum delivery and affordable rent for local people.

24. This scheme presents the Council with an opportunity to be proactive in the delivery of affordable housing under the CLHS project, potentially achieving around eight dwellings towards the 45 dwelling delivery target agreed under the Service Level Agreement with the SCHH.
25. It is recommended that Cabinet agree to the disposal of Cemetery Lodge and delegate authority to the Executive Director to agree the final terms of sale as deemed necessary.

Dr Anthony Leonard
Executive Director

Risk Assessment Statement

There is a risk that the disposal of this site will not achieve best financial return. However, a best value appraisal also considers the social objectives that can be met, including meeting local housing need. Should for any reason this CLHS project fall through or fail to meet the conditions included under the recommendations, Rother District Council will retain ownership of the site and will benefit from the uplift in value achieved from planning permission. There is also the added security and fire risk of Cemetery Lodge remaining empty; falling into further disrepair should the site remain undeveloped.