



Decision Report

ISLE OF WIGHT COUNCIL

DECISION UNDER DELEGATED POWERS

DECISION CANNOT BE TAKEN BEFORE 19 APRIL 2024

Title **POTENTIAL PROPERTY DISPOSAL PROGRAMME APRIL 2024**

Report of **DEPUTY LEADER AND CABINET MEMBER FOR HOUSING AND FINANCE**

Executive Summary

1. This report seeks approval in principle to dispose of the sites listed in Appendix 1, subject to a further report setting out the terms of sale for each individual property being approved prior to its disposal. Being included on the schedule does not mean that the site will be sold and is not exhaustive.
2. While the schedule includes sites suitable for a variety of uses a key focus of this report is to dispose of sites suitable for housing as quickly as possible, to enable housing delivery and promote economic development.
3. Once the schedule is approved a three year rolling programme of disposals will be created and the programme will be updated six monthly going forward.

Recommendation

4. That the disposal of the sites listed in Appendix 1 be approved in principle, subject to a further report setting out the terms of sale for each individual property being approved prior to disposal, and to delegate both approval of the details of the property disposal programme and approval of the terms of sale for each property to the Strategic Director of Corporate Services in consultation with the Section 151 Officer.

Background

5. “The Island is facing a housing crisis like never before. Since the onset of the pandemic over 80 per cent of its private rented stock has become unavailable for long term lets. Approximately 15,000 households struggle to accommodate themselves in the local housing market. Those on the lowest incomes and highest needs struggle to afford current market rents and prices, well below the Government’s accepted standard definition of affordable housing. Recent successes in securing affordable housing grants from Government are helpful but have done little to stem the numbers of Island residents needing affordable accommodation” (Corporate Plan 2021 – 2025). There are currently approximately 2,500 people on the Islands housing list.
6. One of the Council’s current and most urgent priorities is therefore to enable the delivery of housing across the Island. To assist, this report sets out a schedule of surplus Council owned sites many of which may be suitable for redevelopment to housing (subject to planning permission) and seeks approval in principle to dispose of these sites, subject to further approval of the individual terms of sale for each property prior to disposal. The schedule of sites is attached as Appendix 1.
7. Within the Council’s Housing Strategy 2020 – 2025 six strategic housing priorities, Priority One is “New housing supply – Ensuring the right supply and mix of new homes and increasing ‘affordable’ housing through the efficient use of land and capital resources including those the council owns or has control of.” The Council is therefore committed to identifying Council owned surplus sites which could enable the delivery of housing.
8. In December 2023, the Council's Housing Members Board considered a pipeline of Council owned sites which may be able to deliver housing, which are included within Appendix 1. The schedule is currently divided into Priority 1 sites to enable housing delivery at the very earliest opportunity, and Priority 2 sites which will be brought forward in the future. A three year rolling programme of disposals will be proposed in the next update of this report and that programme will be updated six monthly going forward.
9. Having both an approved schedule of surplus Council owned property and an approved pipeline of potential housing sites provides clarity for staff, councillors and members of the public regarding both how the Council intends to best manage its surplus property assets, and also how it intends to deliver housing as quickly as it is able using Council owned land. It enables the Council to offer sites to purchasers/developers or as leased sites, knowing that the sites are no longer required for Council use, and it gives potential purchasers confidence that the Council is willing and able to sell a site.

10. Being included on the schedule does not mean that sites will definitely be sold for development, it simply confirms that they are surplus and able to be sold. The Council may also choose to retain ownership of a site to develop it out itself, develop it with a joint venture partner, etc. Some sites have already been declared surplus, marketed etc, but for the purposes of clarity these are being re-confirmed as surplus in this report and so are included in the schedule.
11. The schedule is not intended to be exhaustive. “Windfall” sales can also occur where the Council may be approached by interested purchasers at any time, even though the site may not appear on the schedule. In this situation, it will simply be the case that the windfall site does not at that point have the benefit of a formal approval in principle to dispose.
12. Once the schedule is approved the Council will no longer be required to consider internal requests to re-use these sites as the decision to dispose of the sites in principle will have been made. The Council can still of course choose to consider such requests. This will minimise potentially abortive work by staff, enabling Council resources to be focussed on delivering key outcomes as efficiently as possible such as housing delivery.
13. Receipts for corporate sites disposed of will support the delivery of the Council's corporate capital programme for that financial year. Receipts for education sites will support the delivery of the Council's education capital programme for that financial year.
14. In addition to disposals achieving capital receipts, the council may also dispose of land and property to social enterprises, town, parish and community councils which will enable the continued delivery of public services by the local community.

Corporate Priorities and Strategic Context

15. **Provision of affordable housing for Island Residents** The purpose of this report is to approve the disposal of surplus council sites which may be suitable for development, in particular housing, where approval should result in more focussed resources for the Council enabling sites to be delivered more quickly, and more certainty for purchasers. As set out in the current Corporate Plan and noted above, “the Island is facing a housing crisis like never before. Since the onset of the pandemic over 80 per cent of its private rented stock has become unavailable for long term lets. Approximately 15,000 households struggle to accommodate themselves in the local housing market. Those on the lowest incomes and highest needs struggle to afford current market rents and prices, well below the Government’s accepted standard definition of affordable housing. Recent successes in securing affordable housing grants from Government are helpful but have done little to stem the numbers of Island residents needing affordable accommodation. We will work to increase the rate of affordable housing. We will need to use public and private assets to increase the availability of housing across the Island.”
16. **Responding to climate change and enhancing the biosphere** A climate and sustainable development impact assessment for individual sites will be undertaken and set out in the future reports seeking approval for the proposed terms of each sale.

17. **Economic Recovery and Reducing Poverty** Regenerating surplus Council sites offers the best chance of economic recovery and sustainable economic growth for the towns and villages across the island. It is for this reason that the Council's property strategy requires surplus Council land and buildings to be marketed or disposed of as quickly as possible. A key driver of this report is to be able to dispose of surplus council sites for housing as quickly as possible, and the delivery of new housing for those in need will reduce poverty.
18. **Impact on Young People and Future Generations** Bringing forward more market, social and affordable housing is much needed by the young people of the Isle of Wight and future generations, for homes to give a much needed sense of security which will in turn enable people to then focus on education and training.
19. **Corporate Aims**

This report meets the strategic aspirations and priorities of the council's Corporate Plan 2021-2025 in that:

 - housing that is created must be housing fit for purpose. We will prioritise truly affordable housing for island residents, meaning housing that is not just affordable to rent or buy but affordable to live in and maintain.
 - We will.. (ensure).. we meet our local housing need.

Consultation and Engagement

20. The inclusion of the majority of the surplus assets in the appendix has followed a process of consultation with relevant stakeholders undertaken by the relevant service area.
21. Engagement for individual sites will be undertaken and set out in the future reports seeking approval for the proposed terms of each sale.

Financial / Budget Implications

22. There are no direct budget implications to this decision as the individual capital and revenue costs and benefits to the disposal of each site will be dealt with in the future reports for each property seeking approval for the terms of sale.
23. The sale of most surplus Council sites will generate capital receipts. Sales will also create revenue savings. These are generally minimal but nevertheless they will be saved, such as rates, management and utilities.

Legal Implications

24. The Council has the power to dispose of property under section 123 of the Local Government Act 1972, which requires it to achieve 'best consideration' in any disposal. The council can dispose of property at an undervalue using a general consent of the Secretary of State. The difference between the unrestricted value of the property and the disposal consideration must not exceed £2 million and the purpose of the disposal must be likely to contribute to the achievement of the promotion or improvement of economic well-being; the promotion or improvement of social well-being; and/or the promotion or improvement of environmental well-being

in its area or for residents in its area. Subsidy control implications should also be considered. Council has the power to dispose of its property for best consideration under Section 123 of the Local Government Act 1972.

25. Specific legal issues for individual sites will be set out in the future reports seeking approval for the proposed terms of each sale.

Equality and Diversity

26. Equality Impact Assessments for individual sites will be undertaken and set out in the future reports seeking approval for the proposed terms of each sale.

Property Implications

27. The sites listed for disposal within the appendix are consistent with the Council's overall needs and have been deemed or declared surplus to the council's requirements.
28. Specific property issues, such as landlord and tenant implications, will be set out in the future reports seeking approval for the proposed terms of each sale.

Section 17 Crime and Disorder Act 1998

29. There will be Crime & Disorder benefits to selling surplus/unoccupied sites for redevelopment because vacant sites are likely to attract vandalism, despite efforts by the Council to prevent this. Preventing vandalism, such as security visits, are an on-going cost to the council, which are saved if sites are sold or redeveloped.

Options

30. Option 1: That the disposal of the sites listed in Appendix 1 be approved in principle, subject to a further report setting out the terms of sale for each individual property being approved prior to disposal, and to delegate both approval of the details of the property disposal programme and approval of the terms of sale for each property to the Strategic Director of Corporate Services in consultation with the Section 151 Officer.
31. Option 2: To not approve in principle the disposal of sites listed in Appendix 1.

Risk Management

32. There are limited risks to approving the schedule at Appendix 1 for disposal in principle as a further report will be presented before each property is disposed of, seeking approval for the terms of sale.

33. In theory abortive work could be a risk if the schedule is approved and staff start to work on the approved disposals, but in practice this work is ongoing anyway by Property Services whether the schedule is approved or not, accordingly there is no greater risk to abortive work being incurred by approving the schedule for disposal in principle.
34. Specific risks for individual sites will be set out in the future reports seeking approval for the proposed terms of each sale and can be considered at that time.
35. The risk of not approving Appendix 1 for disposal in principle is that staff could invest a great deal of time in the disposal of what they understand to be surplus Council sites, and part way through this process it is decided that the sites should not be sold. This would result in abortive officer time and so less efficient working/use of resources. Having an approved schedule of surplus sites in principle overcomes this.
36. A further risk of not approving the schedule is that the Council cannot offer surplus sites to purchasers/developers in the confidence that this formal decision to sell the sites has already been taken, and similarly purchasers/developers may be less enthusiastic to bid for the sites, knowing that at any point the Council could change its mind and decide not to sell.

Evaluation

37. This report simply seeks to approve the disposal in principle of the schedule of sites attached as Appendix 1. The details of each disposal will be set out in a future report seeking approval for the agreed terms of sale, therefore all of the important considerations around selling a property can be considered in detail at that time. Approving Appendix 1 simply gives the council, members, and the public confidence that a particular site is surplus and available for purchase and gives purchasers confidence to commit resources to bid for the land. Accordingly, it is recommended that the sites listed in Appendix 1 are approved for disposal in principle.

Appendices Attached

38. Appendix 1 – schedule of sites suitable for disposal in principle.

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