

# **Advice in respect of the Prospective Disposal of Land at St. Martin Close (East)**

Prepared for  
Slaugham Parish Council

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Version  
1.6

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## **1. INTRODUCTION**

- 1.1. dowsettmayhew Planning Partnership is instructed to support Slaugham Parish Council (SPC) in their determination of how best to proceed in respect of the proposed disposal of land owned by the Parish Council, known as St. Martin Close (East) (hereafter referred to as ‘the site’).
- 1.2. This report sets out background to the site in relation to residential-led development proposals through the Development Plan process, and in particular the Slaugham Neighbourhood Plan (SNP). It provides an audit trail of the subsequent considerations by SPC in options to bring forward and facilitate development of the site in accordance with the development allocation policy within the SNP.
- 1.3. The report does not provide advice on valuation, nor on the obligations of the Parish Council in performing their statutory functions and regulatory requirements, including in relation to the disposal of assets. This is detailed in separate documents, which have been prepared in parallel, and accompany, this report.

## **2. SITE AND SURROUNDINGS**

- 2.1. St. Martin Close is a residential cul-de-sac which lies on the southwestern edge of Handcross. It is accessed from West Park Road which connects, via Coos Lane, to Horsham Road (B2110). It comprises a crescent of 20, two-storey, semi detached dwellings which are externally faced in brick with some tile hanging at first floor, under plain tile roofs.
- 2.2. The properties flank three sides of an area of grassed amenity land which lies on the west side of St. Martin Close. To the west of this group of houses, and to the south of houses that front West Park Road, is a parcel of land which measures a maximum of some 133m wide (east-west) and 132m long (north-south). This is an area which is typically covered in grassland with extensive areas of self-seeded scrub. This area of land comprises ‘the site’ that is the subject of this report.
- 2.3. The area is delineated to the south and west by hedgeline and trees, by fencing and hedgeline to the north (bordering the rear gardens of properties on West Park Road) and is open to the east, adjoining the grassed amenity area of St. Martin Close.
- 2.4. To the west of ‘the site’ is an asymmetric land parcel that measures a maximum of some 174m wide (east-west) and some 182m long (north-south). It is bordered to the east by Coos Lane. The land parcel is generally laid to grass, and bounded on all sides by trees and hedgerows.
- 2.5. To the north of this land parcel is a small equipped children’s play space which has pedestrian access from West Park Road.
- 2.6. The site and its environs is detailed below on the aerial image (Figure 1).



Figure 1: Aerial Image of St. Martin Close, St. Martin Close (East) and St. Martin Close (West)  
(source: Google Earth)

### 3. THE PLANNING SYSTEM

- 3.1. The town planning system is primarily 'plan-led.' Planning law requires that planning applications are determined in accordance with the 'Development Plan' unless other material considerations indicate otherwise.<sup>1</sup>
- 3.2. The Development Plan is comprised of one or more documents. It seeks to set out the spatial strategy for the evolution of an area over the coming years, and guides the determination of planning applications.
- 3.3. In relation to the site, the critical Development Plan documents are those that have been prepared by Mid Sussex District Council (MSDC), and by SPC.
- 3.4. The Mid Sussex District Plan (MSDP) was adopted in March 2018, and seeks to guide development within the district over the period 2014 - 2031. This has more recently been supplemented by the Mid Sussex District Site Allocations Development Plan document (adopted June 2022).

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<sup>1</sup> Section 38(6) of the Planning and Compulsory Purchase Act 2004 and Section 70(2) of the Town and Country Planning Act 1990

- 3.5. SPC have prepared a Neighbourhood Plan. This was ‘made’ in September 2019 and covers the same Plan period as the District Plan (2014 - 2031).
- 3.6. These Development Plan documents are important in establishing the allocation of the site for residential-led development.
- 3.7. Appendix 1 sets out further details on the principles of the town planning system. Appendix 2 sets out detail on the preparation of MSDC’s Development Plan Documents.

#### **4. BACKGROUND TO THE ALLOCATION OF LAND TO THE EAST OF ST. MARTIN CLOSE FOR RESIDENTIAL-LED DEVELOPMENT**

- 4.1. The Localism Act 2011 created a new statutory regime for ‘neighbourhood planning.’
- 4.2. This was brought into effect through the ‘Neighbourhood Planning (General) Regulations 2012’ which was brought into force in April 2012. This set out the process by which a Neighbourhood Plan could be prepared, and brought into force to help shape, direct and deliver development at a local (typically parish) level.
- 4.3. In response to this, SPC resolved to prepare a parish-wide Neighbourhood Plan. They were initially ‘designated’ for the purposes of Plan making in September 2012. Work commenced on the preparation of the Neighbourhood Plan to seek to guide development, at that stage, up to 2031. This stage of preparation of a Neighbourhood Plan for the parish is referred to as Slaugham Neighbourhood Plan 1 (SNP1).
- 4.4. An intrinsic part of neighbourhood planning is the opportunity to determine the quantum and location of land suitable to provide new development, including housing.
- 4.5. SNP1, sought to allocate a total of up to 130 homes to be brought forward over the Plan period. As part of this, the Plan sought to allocate 3 sites for development. This included the proposed allocation of land at St.Martin Close (East) and St.Martin Close (West)<sup>2</sup>, which included the site owned by SPC.
- 4.6. The SNP1 envisaged the implementation of St. Martin Close (East) and St. Martin Close (West) delivered through a Community Right to Build Order (CRtBO) which would grant planning permission for ‘the development of up to 76 dwellings, comprising a mix of 2, 3 and 4 bed houses.
- 4.7. The supporting text anticipated that this could be delivered on completion through a Community Land Trust (CLT) or similar mechanism where there is sufficient control to deliver affordable homes in perpetuity.
- 4.8. In accordance with the Neighbourhood Planning Regulations, the SNP1 was the subject of independent Examination. The Examiner’s Report was published on 17th January 2014. It concluded that SNP1 and the CRtBO did not meet the regulatory requirements set out in legislation, and should not therefore proceed to ‘Referendum.’

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<sup>2</sup> Identified as St.Martin Close/Coos Lane in Policy 4 of SNP1

- 4.9. Further details on the background to SNP1 is available in Appendix 3 with documents available to view on <http://www.slaughampc.co.uk/Slaugham-Parish-Council/evidence-22886.aspx>
- 4.10. Following a review of this report, SPC resolved to prepare a further version of a Neighbourhood Plan. This is referred to in this report as Slaugham Neighbourhood Plan 2 (SNP2).
- 4.11. Background work on the preparation of SNP2 began in August 2014. It was prepared against the backdrop of the preparation and subsequent adoption of the MSDP.
- 4.12. The MSDP established the housing need of the district over the Plan period up to 2031. Policy DP4 sets out a minimum district housing requirement of 16,390 dwellings to be delivered within the district between 2014 - 2031.
- 4.13. Of this figure, it envisages that 2,439 new dwellings would be allocated through future Neighbourhood Plans and Site Allocations document. The Plan also set out a spatial distribution of the housing requirement. This was undertaken by reference to settlements within the district which were grouped within a settlement category hierarchy.
- 4.14. Handcross, together with Pease Pottage, was identified as one of a number of Category 3 Settlements, whilst Slaugham and Warninglid were identified as Category 4 Settlements.
- 4.15. Category 3 Settlements are defined as medium sized villages that provide essential services for the needs of their own residents and immediate surrounding communities. It notes these can include key services such as primary schools, shops, recreation and community facilities and these are often shared with neighbouring settlements.
- 4.16. Category 4 Settlements are identified as small villages with limited services often only serving the settlement itself.
- 4.17. With reference to the spatial distribution of the housing requirement within the district over the Plan period, and having regard to the settlement hierarchy, the District Plan set out a 'Neighbourhood Plan strategy.' This sought to identify the relationship between the district housing requirement over the Plan period and the role of individual Neighbourhood Plans in meeting this housing need. A table within the MSDP sought to identify the minimum residual amount of development for each settlement over the Plan period from April 2017 - 2031.
- 4.18. This table noted the commitments and completions in Pease Pottage significantly exceeded the minimum requirement, and that there was no requirement for additional completions within the village of Handcross, Slaugham or Warninglid. The footnote text to this table explained that:

*"The required minimum provision at Pease Pottage (Slaugham Parish) is significantly greater than other settlements within Category 3 due to the allocation and subsequent permission granted for 600 homes within this settlement. Due to this, the other settlements within Slaugham Parish (Handcross, Slaugham and Warninglid) will not be required to identify further growth through the Plan process on top of windfall growth although may wish to do so to boost supply."*



- 4.19. Against this backdrop, and as part of the preparation of SNP2, consideration was given to the merit to identify additional land within the parish for allocation for housing-led development.
- 4.20. It was concluded that modest additional housing growth facilitated through the Neighbourhood Plan could contribute to the overall minimum residual housing need in the district. It was considered if allocated beyond Pease Pottage, this could contribute to sustaining services and facilities of the parish that are beyond this settlement and maintain the vitality of the local area.
- 4.21. Consideration was given to the sustainability merit of all known candidate housing sites, having regard to the scale and sustainability of the parish's four settlements. This assessment concluded that development in and around Handcross offered the most sustainable location for additional housing development. Of the known candidate housing sites in and around the settlement, it was concluded that two sites were suitable and appropriate for development.
- 4.22. These comprised the site owned by SPC adjacent to St. Martin Close, and the land parcel beyond this, bordered by Coos Lane. These two land parcels (known as St. Martin Close (East) 'the site' and St. Martin Close (West)) were allocated within SNP2 for residential-led development.
- 4.23. The SNP2 was the subject of statutory consultation, and was subsequently submitted for independent Examination in early 2019.
- 4.24. As required by legislation, the Examiner considered whether the submission version SNP2 met the legislative requirements of the Neighbourhood Planning Regulations, and whether it should be permitted to proceed to Referendum.
- 4.25. The Examiner's Report was published in May 2019. It set out that subject to a number of recommended modifications, that SNP2 met all the necessary legal requirements and should proceed to Referendum.
- 4.26. With respect to SPC's approach to facilitating the delivery of housing, the report concluded:
- "The Parish Council has taken a responsible and a thorough approach to this important aspect of the Plan making process. In particular it has addressed the matter of future housing development in a positive fashion and has responded to the opportunity provided by the Local Plan Inspector to consider further residential development in the parish beyond the strategic allocation at Pease Pottage. In doing so it has sought to dovetail the preparation of the Neighbourhood Plan into the emerging Site Allocations DPD work."* <sup>3</sup>
- 4.27. SPC's identification of Handcross as a suitable location for development was endorsed through the Examination with the Examiner concluding *"Handcross is an appropriate location for new residential development."* <sup>4</sup>

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<sup>3</sup> Examiner's Report - Paragraph 7.83

<sup>4</sup> Examiner's Report - Paragraph 7.71

- 4.28. With respect to the proposed allocation of St. Martin Close (East) and St. Martin Close (West), the Examiner concluded SPC *“have chosen the correct package of sites and that it has done so on the basis of an appropriate evidence base within the SA.”*<sup>5</sup>
- 4.29. Subject to minor modifications, the Examiner supported the allocation of St. Martin Close (East) for residential development for up to 30 residential units. In addition, the Examiner agreed proposals should enable future vehicular and pedestrian access to St. Martin Close (West).
- 4.30. With respect to St. Martin Close (West), the Examiner agreed the site should be considered as a reserve site with proposals to provide access via St. Martin Close (East). In order to ensure its delivery, the Examiner recommended the trigger point for the consideration of the release of the site should be whichever of the following four events occurs first:
- The review of Neighbourhood Plan itself - This review process is already recommended elsewhere in this report;
  - The adoption of the emerging Mid Sussex Allocations DPD - This process will determine whether or not the site is required to meet the residual district housing requirement;
  - The adoption of any review of the District Plan - This process would have a similar effect to that of the adoption of the DPD;
  - A material delay in delivery of the Pease Pottage strategic delivery site in the adopted District Plan - The allocation of this site and its development trajectory has been an important factor in underpinning the development of the adopted District Plan and the emerging Neighbourhood Plan.
- 4.31. Following discussions, the Examiner’s recommended modifications were accepted by SPC and MSDC and the Referendum Plan was agreed.
- 4.32. SNP2 was supported at Referendum in July 2019 and subsequently ‘made’ by MSDC in September 2019. It now forms part of the Development Plan for the district.
- 4.33. The ‘made’ SNP2 allocates St. Martin Close (East) for up to 30 residential units subject to certain criteria being met through Policy 9. This states:

*“Development proposals for up to 30 residential units on land at St. Martin Close (East) will be supported where:*

- *Proposals provide a suitable mix of dwelling type and size to meet the needs of current and future households;*
- *The design positively responds to the prevailing character of the surrounding area;*
- *Proposals allow for the retention of existing mature trees and hedgerows on the western and southern boundaries;*

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<sup>5</sup> Examiner's Report - Paragraph 7.84



- *The development provides open space at least to the standards set out in the MSDC Development Infrastructure and Contributions Supplementary Planning Document;*
- *Proposals provide suitable access via St. Martin Close and adequate parking arrangements;*
- *Proposals enable future vehicular and pedestrian access to St. Martin Close (West);*
- *Ensure layout is planned to ensure future access to the existing sewerage infrastructure maintenance and upsizing purposes; and*
- *Provide an adequate gap between the pumping station and development to help prevent any unacceptable impact from noise and/or vibration.”*

4.34. The supporting text notes the land is considered suitable for development in the early part of the Plan period (2017 - 2022) and that it could accommodate up to 30 residential units which would positively contribute towards housing need. It notes that the scheme should provide an appropriate mix of housing, to include affordable housing in line with local planning policy.

4.35. Policy 10 of SNP2 allocates St. Martin Close (West) for residential development, and states:

*“Land at St. Martin Close (West), Handcross is identified at the relevant trigger point in Paragraph 6.26 of this Plan, development proposals for up to 35 houses will be supported subject to the following criteria:*

- *Proposals provide a suitable mix of dwelling type and size to meet the needs of current and future households;*
- *The design positively responds to the prevailing character of the adjacent residential development;*
- *The development provides open space at least to the standards set out in the MSDC Development Infrastructure and Contributions Supplementary Planning Document;*
- *Proposals allow for the retention of existing mature trees and hedgerows on the northern, southern and western boundaries;*
- *Proposals provide access via St. Martin Close (East); and*
- *Proposals provide suitable parking arrangements ...”*

4.36. In line with the Examiner’s recommendation, the supporting text <sup>6</sup> states:

*“The SNP allocates St. Martin Close (West) as a reserve site to come forward later within the Plan period following the delivery of St. Martin Close (East) if required, to ensure the long term housing need of the parish is positively met.*

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<sup>6</sup> Slaughton Neighbourhood Plan - Paragraph 6.27 - 6.29

*The development of St. Martin Close (East) should plan for future vehicular and pedestrian access to St. Martin Close (West). Following the development of St. Martin Close (East), it is envisaged that development on land to the west can come forward if needed.*

*The potential trigger point at which the need, or otherwise, for the release of this reserve site will be considered will be an important matter for SPC. At this stage, it is impractical to identify the way in which various processes will unfold over the next few years. These include progress on the Mid Sussex Allocations DPD, the development of St. Martin Close (East) site and wider housing delivery in both the district, and the neighbourhood area. As such, the trigger point for the consideration of the release of the site should be whichever of the following events occurs first - the review of the Neighbourhood Plan itself; the adoption of the emerging Mid Sussex Allocations DPD; the adoption of any review of the MSDP, and a material delay in delivery of the Pease Pottage strategic delivery site in the adopted MSDP. SPC will involve MSDC in this exercise given the overlaps with strategic housing delivery.”*

- 4.37. Further details on the preparation of SNP2 is available in Appendix 4 with documents available to view on <http://www.slaughampc.co.uk/Slaugham-Parish-Council/Default-22886.aspx>
- 4.38. The MSDP set out the intent of the Local Planning Authority to prepare a ‘Site Allocations Development Plan Document’ (SA DPD) in order to identify appropriate land for development to meet the housing and employment needs of the District Plan over the remainder of the Plan period, up to 2031.
- 4.39. The SA DPD was prepared following the adoption of the District Plan in 2018, and was adopted in June 2022. It sets out additional housing allocations in Policy SA11. Table 2.5 of this details the sites that are the subject of housing allocations. It includes land at St. Martin Close (West) for development of some 35 dwellings. Further detail on this is set out in Policy SA27 of the DPD.
- 4.40. The objectives set out in Policy SA27 aim to deliver a high quality, landscape-led, sustainable extension to Handcross which respects the character of the village and conserves and enhances the landscape and scenic beauty of the High Weald AONB and which is comprehensively integrated with the settlements so residents can access existing facilities.
- 4.41. It notes that the SNP2 allocates St. Martin Close (East) for 30 dwellings and St. Martin Close (West) as a reserve site for 35 dwellings. It notes the SNP2 identifies that the release of the reserve site is to be triggered by a number of potential events, and this includes the adoption of the SA DPD and the need to allocate the site to meet the residual district housing requirement.
- 4.42. It notes that the SNP2 policy allocates St. Martin Close (West) for housing and open space, subject to phasing, to come forward later within the Plan period, following the delivery of St. Martin Close (East). It notes that in order to achieve a high quality, landscape-led and coherent sustainable extension to Handcross, it is important that open space and access arrangements are integrated with that of St. Martin Close (East). The text of the document notes that “Access from Coos Lane is not acceptable for highway and landscape reasons.”

4.43. In accordance with paragraph 6.29 of the SNP2, the adoption of the SA DPD in June 2022 represents one of the potential 'trigger points' for the release of St. Martin Close (West) from its status as a 'reserve' housing site.

4.44. An extract of the SA DPD is set out in Appendix 5.

## **5. FACILITATING THE DELIVERY OF DEVELOPMENT OF ST. MARTIN CLOSE (EAST)**

5.1. The SNP2 was endorsed at Referendum in July 2019, and subsequently made by MSDC in September 2019. Policy 9 of the SNP2 allocates land at St. Martin Close (East) for development for up to 30 residential dwellings subject to compliance with a number of criteria. Paragraph 6.20 of SNP2 sets out that the site is considered suitable for development in the early part of the Plan period (i.e. between 2017 - 2022). Having regard to this, SPC sought to progress delivery of the site for residential development.

5.2. In order to support the decision-making process, dowsettmayhew Planning Partnership were instructed to provide technical planning support. In particular, they were instructed to produce a report that set out a consideration of options for progressing delivery of the site for residential development in accordance with the terms of the allocation of Policy 9 of SNP2.

5.3. This report was issued in March 2021. It identified seven broad options to facilitate progressing the delivery of housing on the site. These options were:

- Option 1 - Immediate disposal;
- Option 2 - Immediate disposal subject to 'Overage Clause';
- Option 3 - Disposal, conditional upon third party securing planning permission;
- Option 4 - Option Agreement with third party;
- Option 5 - Promotion Agreement with third party;
- Option 6 - Parish Council pursuit of planning permission; or
- Option 7 - Joint venture with third party.

5.4. A summary of the approach for each option was set out in the report, together with an analysis of the merits and demerits of each option.

5.5. This was then the subject of a comparative analysis. The report noted that the appropriate way forward was a matter of judgement for SPC, having regard to the merits and demerits of each option and having regard to the statutory and regulatory functions and obligations on the Parish Council.

5.6. This report was considered by SPC at a meeting on Thursday 25th March 2021. Where it was resolved to seek further advice on three potential options. These were:

- Option 4 - Option agreement with third party;

- Option 5 - Promotion agreement with third party; and
- Option 6 - Parish Council pursuit of planning permission.

- 5.7. A 'Further Consideration of Options' report was produced in April 2021. The report set out further guidance on the implications of the options including in the approach to securing planning permission, and the likely scope and content of an outline application for residential development of the site.
- 5.8. Against each of the three identified options the report set out a more detailed summary of the potential process under each option for progressing development of the site, the potential costs that may be incurred by SPC in pursuing each option, and the potential for the SPC to exert control/influence over the scheme design.
- 5.9. The report noted that for each of the three options given further consideration, it would be necessary for planning permission to be obtained before the land was sold. It noted that Options 4 and 5 were broadly comparable, and involved the use of a third party, who would bear the significant majority of the cost and risk in obtaining the planning permission. It noted the main difference between the two options would arise at the point of disposal of the property.
- 5.10. SPC would be likely to carry greater risk under Option 4 given the nature of the methodology of the sale and the inherent tension this generates between the purchaser and the landowner, in seeking to establish agreement over the land value. It was noted that Option 5 would generally be preferable for a landowner (than Option 4) as risk at this point of disposal is minimised through a greater alignment of interest between the landowner, and the parties securing the planning permission.
- 5.11. The report set out that Option 6 carried greater risk of the three options through the planning application stage, as SPC would be responsible for securing the planning permission. It noted that set against this greater financial risk, SPC would be able to exert greater control over the design of the scheme.
- 5.12. The report concluded that of the three options, the decision for SPC could be seen as a balance between financial risk and control of the design and application process.
- 5.13. A supplemental report was considered by SPC at a meeting on 29th April 2021. At this meeting, it was resolved that additional work and assistance would be required to inform the decision on how best to proceed.
- 5.14. A copy of the Minutes of the meeting are available to view on [http://www.slaughampc.co.uk/Slaugham-Parish-Council/committee\\_meetings\\_-38274.aspx](http://www.slaughampc.co.uk/Slaugham-Parish-Council/committee_meetings_-38274.aspx)
- 5.15. In light of MSDC'S progress with the SA DPD, SPC met with representatives of MSDC in May 2021. The primary purpose of this meeting was to discuss the interplay of the delivery of development on St. Martin Close (East) with the development of St. Martin Close (West).
- 5.16. At this meeting, MSDC Officers set out their aspiration for development of the two allocated sites to be delivered in a cohesive form with a design and layout that benefitted both

allocations. Supplemental advice was also set out in relation to MSDC's aspiration in relation to housing tenure and mix on the site.

- 5.17. A copy of the Minutes of the meeting are available to view on [http://www.slaughampc.co.uk/Slaugham-Parish-Council/committee\\_meetings\\_-38274.aspx](http://www.slaughampc.co.uk/Slaugham-Parish-Council/committee_meetings_-38274.aspx)
- 5.18. Members of SPC held further meetings to discuss the options for progress of development at St. Martin Close (East) in meetings on 29th June 2021, 6th July 2021 and 12th August 2021. These meetings considered options for progressing delivery of the site and ensuring local residents were informed and engaged with the process.
- 5.19. As a result of the discussions, SPC resolved to appoint a specialist Land Agent in order to provide advice on the mechanisms for seeking to facilitate development of the site through a disposal of the land.
- 5.20. A copy of the Minutes of the meeting are available to view on [http://www.slaughampc.co.uk/Slaugham-Parish-Council/committee\\_meetings\\_-38274.aspx](http://www.slaughampc.co.uk/Slaugham-Parish-Council/committee_meetings_-38274.aspx)

## **6. KEY CONSIDERATIONS**

- 6.1. As a result of the background to the allocation of the site for residential-led development through Policy 9 of the SNP2, and the appraisal of options by SPC in progressing delivery of development, including engaging with key stakeholders, it is considered that there are three main considerations which are relevant in determining how best to proceed with delivery of development on the site. These relate to town planning considerations, legal considerations, and valuation considerations. These are addressed further below in turn, although it is important to note that they are interrelated, and ultimately need to be considered collectively.

### **Planning Considerations**

- 6.2. The site is allocated for residential development for up to 30 dwellings through Policy 9 of the SNP2 (St. Martin Close (East)). SNP2 makes clear that it is envisaged this residential development will be delivered early within the Plan period.
- 6.3. The site is adjoined to the west by a further land parcel that is allocated for residential development for up to 35 dwellings through Policy 10 of the SNP2 (St. Martin Close (West)). That policy was expressed as a reserve housing site, to be brought forward subject to a number of potential trigger points. One of those trigger points, comprised the allocation of the site in the SA DPD, which was adopted in June 2022.
- 6.4. Discussions with MSDC have established their clear expectation, as expressed in the Development Plan, for the two allocations to be brought forward in a manner that is both cohesive and complementary, and importantly, is delivered through a single access point via St. Martin Close.
- 6.5. There is thus an expectation, in planning terms, for progress to now be made to facilitate the delivery of both land parcels, and for this to be undertaken in a manner which is in design, and delivery terms cohesive.

## Legal Considerations

- 6.6. As part of SPC's considerations in progressing delivery of the site, advice has been sought with respect to legal matters. This includes in relation to the ownership and title of the site, and with respect to the obligations of SPC in performing their statutory functions and regulatory requirements in relation to disposal of assets.
- 6.7. A summary of this legal advice is contained at Appendix 6.
- 6.8. In respect of the land, the report notes that it was gifted to SPC in conjunction with the development of the existing houses in St. Martin Close. This grant of planning permission was the subject of a Section 106 Agreement under the Town and Country Planning Act 1990. This detailed that the site, that is the subject of this report, was envisaged to be provided as open space. The Section 106 Agreement states:
- "The proposed open space shall not be used for any purpose other than as public open space and no buildings or other structures or erections shall be constructed or placed thereon without the Council's prior written approval."*
- 6.9. The effect and implications of this Section 106 Agreement were considered as part of the preparation and Examination of the SNP2.
- 6.10. In responding to queries by the Examiner, MSDC confirmed the open space that had been envisaged to be provided on the site had not been formally identified as open space by the Policies Map of the adopted MSDP, nor separately identified on MSDC's mapping system. Furthermore, it was not included in any of the published MSDC's Open Space Surveys.
- 6.11. In light of this, the Examiner of SNP2 concluded that the allocation of the site for residential development, provided an opportunity to incorporate a re-envisaged area of open space. The Examiner recommended a modification to SNP2 in respect of the delivery of open space in order to meet this requirement. This modification is embodied within Policy 9 of the SNP2.
- 6.12. The legal considerations advice received by SPC set out that there remains a requirement to lift the obligations of the open space provision contained within the Section 106 Agreement. This would be by application to MSDC.
- 6.13. Having regard to MSDC's stated position on this through the preparation and Examination of the SNP2, it is considered this removal/variation of the Section 106 Agreement would be achievable.
- 6.14. The legal considerations advice notes there are a number of other covenants associated with the site. Of particular relevance to this report, is a covenant which relates to the controls on the use of the land for open space. The beneficiary of this covenant, is the adjacent landowner to the west. This landowner also benefits from covenants which include a right of access for agricultural purposes over the site.
- 6.15. The legal considerations advice set out that these covenants would need to be lifted in order to enable delivery of residential development on the site.



## Valuation Considerations

- 6.16. In light of SPC's considerations on options for progressing the delivery of the site, including options for disposal of the property, Fowlers Land and New Homes, were instructed to support and assist SPC.
- 6.17. This role included providing advice with respect to valuation of the property, and, subsequently, to provide support and advice with respect to negotiations with representatives of the adjoining landowner in respect of removal of the restrictive covenants.
- 6.18. The advice of Fowlers with respect to the valuation of the land, and the implications of the covenants is detailed at Appendix 7.
- 6.19. This report also summarises the discussions with representatives of the adjoining landowner in relation to the potential acquisition of the site to facilitate delivery of a cohesive development of both land parcels.
- 6.20. The report sets out considerations of the potential value of the site having regard to a development that would be compliant with Policy 9 of the SNP2. It considered a development of 30 residential units, of a mix of sizes and styles, which would include 30% affordable housing.
- 6.21. A valuation/appraisal of the development based on a deduction of the costs of development from the anticipated proceeds is set out in the Report, for ease this is also set out below:

Land Appraisal For:	St. Martin Close (East), Handcross			
	Sqft	GDV	Costs	
Market	21,200	£8,440,000		
Affordable	7,109	£1,830,000		
	28,309	£10,270,000	£9,026,272	
Sales Costs Market	4%		£337,600	
Sales Costs Affordable	1%		£18,300	
Developer Margin	20%		£2,054,000	
Land				£1,184,503
SDLT	5%			£59,225
Developer Legal Costs			£15,000	
Seller's Legals			£10,000	
Affordable Housing Legal Costs			£12,000	
Finance Costs			£60,000	
Build Cost (£/Sqft)	£205		£5,803,345	
Contingency	5%		£290,167	
Possible e/o Piling as Clay v. probable			£300,000	
Planning Application Costs			£100,000	
LPA Application Fees			£13,860	
LPA Section 106 Legals			£6,000	
Developer Section 106 Legals			£6,000	

- 6.22. This confirms a land value based on a residual method of valuation to be in the region of £1.2 million. The report acknowledges the existence of covenants on the land, including those which prohibit development of the land expect for use as open space and the agricultural access which would need to be maintained.
- 6.23. The report sets out that such covenants will have a significant detrimental impact on the land value as it would “... *Preclude most buyers from purchasing given the restrictive nature of the covenants and the inability to release or relax, unless the buyer controls the land of St. Martin Close (west).*” <sup>7</sup>

<sup>7</sup> See page 6 of Fowlers Report

- 6.24. Given the implications of the covenant, and coupled with MSDC's aspirations for the two land allocations to be brought forward in a cohesive manner, Fowlers were instructed by SPC to undertake discussions with the adjoining landowner's representatives, Millwood Designer Homes.
- 6.25. As detailed in the Valuation Report, it was considered a 'better value' would be obtained by a comprehensive development across the sites and that 'savings could be made and passed onto the SPC' by such an approach. It was also considered this would ensure consistency in design and delivery of a mix of units as well as public open spaces and the requirements of the SNP2 policies.
- 6.26. These discussions have culminated in an offer from Millwood Designer Homes to acquire the SPC owned site on a conditional 'subject to planning' basis for £1.8 million.
- 6.27. The detailed terms of the offer are noted as including:
- SPC legal fees paid by developer to enter into conditional contract;
  - Upwards only overage on increased square footage through a quasi-equalisation agreement with the St. Martin Close (West) site, based on delivery of 21,200 ft<sup>2</sup> of land (on SPC land only);
  - Section 106 costs, where applicable, to be split pro rata of quasi-equalisation;
  - A commitment by the adjoining landowner and their representatives to release the restrictive covenants that are in their favour, that affect the SPC site;
  - Indexation (upwards only) of the purchase price from the point of exchange, in order to protect against future price increases;
  - Developer to be responsible for all costs associated in securing planning permission and associated Section 106 legal costs, LPA costs, legal costs, Architects, etc.
- 6.28. The Valuation Report also notes that SPC have received offers to acquire the SPC land from the Community Land Trust. Further details of offers received are set out in Appendix 8 and 9.
- 6.29. The report sets out that these offers are not considered to have taken account of the implications of the covenants that affect the land. For these reasons, the report concludes that an offer from CLT would not be deliverable.
- 6.30. The report notes that under typical circumstances, it would be recommended that the site be offered for disposal on the open market through an extensive marketing campaign. However, given the implications of the covenants that affect the land, the Valuation Report concludes that only the adjoining landowner to the west (and/or their representatives) would be able to deliver the site for development, and this negates the merit of a wider marketing exercise for disposal of the site.
- 6.31. The report concludes that having regard to the terms of the covenants, it is recommended that the offer received from Millwood Designer Homes be accepted.

## **7. SUMMARY**

- 7.1. The site, owned by SPC, is allocated for residential-led development for up to 30 dwellings within Policy 9 of SNP2. Adjoining land to the west is also allocated, as a reserve site, for up to 35 dwellings within Policy 10 of the made of SNP2. It has more recently been allocated for the same quantum of development in the SA DPD (Policy SA27).
- 7.2. The combination effect of these Development Plan allocations is to seek to bring forward residential-led development that includes open space in a cohesive form with access to both land parcels delivered via St. Martin Close (East).
- 7.3. Whilst it was envisaged the site would be delivered early in the Plan period (by 2022) with St. Martin Close (West) the subject of a subsequent reserve allocation, both sites are now considered suitable and required for development to meet MSDP's residual housing requirements over the Plan period up to 2031.
- 7.4. SPC have considered a range of options for facilitating development of the site. As part of this, they have had regard to the aspiration of MSDC for achieving cohesive development, and have sought advice with respect to legal considerations, and valuation advice.
- 7.5. The legal advice has identified that development on the site can only be delivered in conjunction with removal of restrictive covenants, including a Section 106 Planning Agreement which would need to be removed via agreement with MSDC, and restrictions on the use of the land held in the benefit of the adjoining landowner to the west.
- 7.6. Discussions with representatives of that landowner have confirmed that they would be supportive of a release of the terms of the covenant in conjunction with acquisition of the site, to enable the development of both site allocation land parcels to be delivered cohesively.
- 7.7. Valuation advice has set out that the terms of the existing covenants have a significant limiting effect on the value of the land and the ability of any other third party to bring forward and deliver development.
- 7.8. In light of these factors, and following negotiations with the adjoining landowner's developer representatives, an offer for the SPC land has been proposed at £1.8 million on a subject to planning basis, and a range of other terms.
- 7.9. It is the opinion of SPC's valuation advisors that this offer represents the likely best terms and value that can be achieved on the site.
- 7.10. SPC are therefore now invited to reach a determination on whether to approve the sale of the land on a conditional, subject to planning basis in accordance with the terms offered by Millwood Designer Homes.

# APPENDIX 1

## TOWN PLANNING SYSTEM

## 1. TOWN PLANNING SYSTEM

- 1.1. The town planning system is primarily 'plan-led.' Planning law requires that planning applications are determined in accordance with the 'Development Plan' unless 'other material considerations indicate otherwise.'<sup>1</sup>
- 1.2. The key Development Plan documents in relation to St. Martin Close (East) and St.Martin Close (West) for the purposes of residential development are
  - Mid Sussex District Plan 2014-2031 (adopted March 2018);
  - Slaugham Neighbourhood Plan 2014-2031 (made September 2019); and
  - Site Allocations' Development Plan Document (June 2022)
- 1.3. The National Planning Policy Framework (NPPF)<sup>2</sup> confirms succinct and up-to-date plans should provide a positive vision for the future of each area; a framework for addressing housing needs and other economic, social and environmental priorities; and a platform for local people to shape their surroundings.
- 1.4. Paragraph 16 of the NPPF states plans should:
  - be prepared with the objective of contributing to the achievement of sustainable development;
  - be prepared positively, in a way that is aspirational but deliverable;
  - be shaped by early, proportionate and effective engagement between plan-makers and communities, local organisations, businesses, infrastructure providers and operators and statutory consultees;
  - contain policies that are clearly written and unambiguous, so it is evident how a decision maker should react to development proposals;
  - be accessible through the use of digital tools to assist public involvement and policy presentation; and
  - serve a clear purpose, avoiding unnecessary duplication of policies that apply to a particular area (including policies in this Framework, where relevant).
- 1.5. Paragraph 17 of the NPPF states the development plan must include strategic policies to address each local planning authority's priorities for the development and use of land in its area. It states policies to address non-strategic matters should be included in local plans that contain both strategic and non-strategic policies, and/or in local or neighbourhood plans that contain just non-strategic policies.

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<sup>1</sup> Section 38(6) of the Planning and Compulsory Purchase Act 2004 and Section 70(2) of the Town and Country Planning Act 1990

<sup>2</sup> Paragraph 15



- 1.6. Paragraph 18 states the development plan for an area comprises the combination of strategic and non-strategic policies which are in force at a particular time.
- 1.7. Paragraph 20 states strategic policies should set out an overall strategy for the pattern, scale and design quality of places, and make sufficient provision for:
- housing (including affordable housing), employment, retail, leisure and other commercial development;
  - infrastructure for transport, telecommunications, security, waste management, water supply, wastewater, flood risk and coastal change management, and the provision of minerals and energy (including heat);
  - community facilities (such as health, education and cultural infrastructure); and
  - conservation and enhancement of the natural, built and historic environment, including landscapes and green infrastructure, and planning measures to address climate change mitigation and adaptation.
- 1.8. Paragraph 28 states non-strategic policies should be used by local planning authorities and communities to set out more detailed policies for specific areas, neighbourhoods or types of development. This can include allocating sites, the provision of infrastructure and community facilities at a local level, establishing design principles, conserving and enhancing the natural and historic environment and setting out other development management policies
- 1.9. With respect to Neighbourhood Planning, paragraph 29 states neighbourhood planning gives communities the power to develop a shared vision for their area. Neighbourhood plans can shape, direct and help to deliver sustainable development, by influencing local planning decisions as part of the statutory development plan. Neighbourhood plans should not promote less development than set out in the strategic policies for the area, or undermine those strategic policies.
- 1.10. Paragraph 30 states once a neighbourhood plan has been brought into force, the policies it contains take precedence over existing non-strategic policies in a local plan covering the neighbourhood area, where they are in conflict; unless they are superseded by strategic or non-strategic policies that are adopted subsequently.

## **APPENDIX 2**

# **MID SUSSEX DISTRICT COUNCIL: DEVELOPMENT PLAN DOCUMENTS**

## 1. MID SUSSEX DISTRICT COUNCIL: DEVELOPMENT PLAN DOCUMENTS

### Mid Sussex District Plan: March 2018

- 1.1. The Mid Sussex District Plan 2014-2031 (MSDP) was adopted in March 2018, and seeks to guide development in the district up to 2031.
- 1.2. With respect to facilitating the delivery of housing, Policy DP4 of the Plan states that the MSDP seeks to facilitate the delivery of an average of 876 dwellings per annum (DPA) up until 2023/2024; and thereafter an average of 1,090 DPA between 2024-2025 and 2030-2031, subject to there being no harm to the integrity of the European Habitats Sites in the Ashdown Forest.
- 1.3. The MSDP notes that many of the required dwellings have already been the subject of completion in the early part of the Plan period, are the subject of 'commitment' on sites which benefit from planning permission, are the subject of allocation within the MSDP or Neighbourhood Plans, or may be the subject of 'windfall' development.
- 1.4. The MSDP notes that, as at 2018, within the district a further 2,439 dwellings over the Plan period will be delivered *"as allocated through future Neighbourhood Plans and the Site Allocations document"*.
- 1.5. MSDP Policy DP4: Housing also sets out the spatial distribution of the housing requirement, by reference to a settlement hierarchy. Of those settlements within Slaugham Parish, Handcross and Pease Pottage are identified as a Category 3 settlement, whilst Slaugham and Warninglid are identified as a Category 4 settlement.
- 1.6. A table within MSDP Policy DP4: sets out that there is a requirement for Category 3 settlements to collectively contribute a minimum of 311 additional dwellings and for Category 4 settlements to deliver a minimum 19 additional dwellings through future allocations (i.e. to contribute to the 2,439 dwellings).
- 1.7. MSDP Policy DP6: Settlement Hierarchy, sets out the settlement hierarchy of the District. With respect to Slaugham, Handcross and Pease Pottage are identified as Category 3 settlements whilst Slaugham and Warninglid are identified as Category 4 settlements.
- 1.8. Category 3 settlements are "medium sized villages providing essential services for the needs of their own residents and immediate surrounding communities. Whilst more limited, these can include key services such as primary schools, shops, recreation and community facilities, often sharing with neighbouring settlements."
- 1.9. Category 4 settlements are "small villages with limited services often only serving the settlement itself."
- 1.10. Of those settlements identified as Category 3 or 4 within the district 11 are located within the High Weald AONB, 2 adjoin or are partly surrounded by the AONB, and 5 are outside of this landscape designation. It is therefore clear, that the spatial distribution of further housing set

out in MSDP DP4: Housing, anticipates some additional development will be located within the High Weald AONB.

- 1.11. The supporting text of MSDP Policy DP6 provides clarity between District Council housing requirement and the role of individual Neighbourhood Plan in meeting the housing requirement of 2,439. With respect to the settlements of Slaugham Parish, no minimum residual housing requirement from 2017 onwards was identified.
- 1.12. A footnote to the table confirmed *“the required minimum provision at Pease Pottage (Slaugham Parish) is significantly greater than other settlements within Category 3 due to the allocation and subsequent permission granted for 600 homes within this settlement. Due to this, the other settlements within Slaugham Parish (Handcross, Slaugham and Warninglid) will not be required to identify further growth through the Plan process on top of windfall growth although may wish to do so to boost supply.”*
- 1.13. The MSDP confirms MSDC will prepare a Site Allocations Development Plan Document (DPD). This will allocate non-strategic and strategic sites of any size over five dwellings (with no upper limit), in order to meet the remaining housing requirement over the rest of the Plan period as reflected in the ‘stepped trajectory’ of the MSDP. Furthermore, it confirms MSDC intends to undertake a review of the MSDP after the adoption of the Site Allocations DPD. MSDC envisaged this would be submitted to the Secretary of State in 2023.

#### **Mid Sussex District Site Allocations DPD: June 2022**

- 1.14. The Mid Sussex Site Allocation Development Plan Document (SA DPD) was adopted on the 29 June 2022. It identifies sufficient housing sites to provide a five year housing land supply to 2031 and also allocates land to meet identified employment needs. In addition, the SA DPD<sup>1</sup> updates and complements the MSDP<sup>2</sup>.
- 1.15. Policy SA11: Additional Housing Allocations identifies the sites that are allocated to meet the residual housing requirement. Table 2.5 of the Policy confirms how the required level of housing will be distributed.
- 1.16. With respect to Slaugham Parish, Handcross is identified as a “Category 3 - Medium Sized Village”. Land at St.Martin Close (West) (SA27) is allocated to provide 35 dwellings.
- 1.17. An accompanying footnote confirms *‘Slaugham Neighbourhood Plan is now made and land at St Martin Close (east) for 30 units is now a commitment as at 1st April 2020. Therefore only 35 units are counted here to avoid double counting’*.
- 1.18. The SA DPD sets out site specific policies including a set of objectives for each allocated housing site. These policies are also accompanied by a series of general principles which are common to all sites and are set out in Policy SA GEN: General Principles for Site Allocations.
- 1.19. With respect to Land at St.Martin Close (West), Policy SA27 the following objectives have been identified:

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<sup>1</sup> Policy SA10: Housing

<sup>2</sup> Policy DP 4: Housing

- To deliver a high quality, landscape led, sustainable extension to Handcross, which respects the character of the village and conserves and enhances the landscape and scenic beauty of the High Weald AONB, and which is comprehensively integrated with the settlement so residents can access existing facilities.
- The Slaugham Neighbourhood Plan allocates St Martin Close (East) for 30 dwellings (SNP: Policy 9) and St Martin Close (West) as a Reserve site for 35 dwellings (SNP: Policy 10 refers). The Neighbourhood Plan identifies that the release of the Reserve site is to be triggered by a number of potential events, including the adopted Mid Sussex Site Allocations DPD and the need to allocate the site to meet the residual District housing requirement.
- This policy allocates St Martin Close (West) for housing and open space, subject to phasing as set out in the Neighbourhood Plan i.e. to come forward later within the Plan period following the delivery of St Martin Close (East). It seeks to ensure that a high quality, landscape led and coherent sustainable extension to Handcross is delivered, including integrated open space and access arrangements with that of St Martin Close (East)

- 1.20. Policy SA27 sets out matters relating to: urban design principles; AONB; Social and Community; Historic Environment and Cultural; Biodiversity and Green Infrastructure; Highways and Access; Flood Risk and Drainage; and Utilities
- 1.21. With respect to access, Policy SA27 confirms the allocation should 'Provide integrated access with St Martin Close (East). Access from Coos Lane is not acceptable for highway and landscape reasons'
- 1.22. An extract of Policy SA27 is enclosed in Appendix 5.

**APPENDIX 3**

**SLAUGHAM NEIGHBOURHOOD PLAN 1**

**2012**



## 1. SLAUGHAM NEIGHBOURHOOD PLAN 1

- 1.1. Slaugham Parish Council (SPC) was initially designated in September 2012 for the purposes of neighbourhood planning and subsequently prepared a Neighbourhood Plan, heron-in to be referred to as Slaugham Neighbourhood Plan 1 (SNP1).
- 1.2. SNP1 set out a vision for the Parish up to 2031 and included a series of objectives. It also provided a framework of planning policies to guide development.
- 1.3. With respect housing, SNP1 allocated a total of up to 130 homes to be brought forward over the plan period. Planning policies supported housing on land within the built up area boundaries of Handcross and Pease Pottage where certain criteria were met and on previously developed sites within the existing built-up area boundaries of Handcross and Pease Pottage where certain criteria were met.
- 1.4. In addition SNP1 allocated 3 sites for development. These comprised:
  - 76 dwellings and commercial development on land at St. Martin Close/Coos Lane, Handcross;
  - Up to 24 dwellings on land off High Street, Handcross; and
  - Up to 30 dwellings on land at Old Brighton Road South, Pease Pottage.
- 1.5. With respect to St. Martin Close/Coos Lane, the SNP1 confirmed the site, part owned by SPC, would be implemented through a Community Right to Build Order (CRtBO)<sup>1</sup> with a Community Land Trust procuring the scheme on completion.
- 1.6. The SNP1 was subject to Examination in 2013, with the Examiner's Report published on 17 January 2014. This confirmed SNP1 was not compatible with the requirements of European Union obligations insofar that a satisfactory Strategic Environment Assessment was required and the accompanying document did not meet legislative requirements.
- 1.7. The Examiner's Report also confirmed the identified housing target set for the plan period was not based on sufficiently robust evidence. It was also considered the proposed residential allocations, within the High Weald Area of Outstanding Natural Beauty, were undeliverable.
- 1.8. The Examiner's Report concluded, the SNP1 failed to meet the legislative 'Basic Conditions' and SNP1 should not proceed to Referendum.
- 1.9. With respect to the CRtBO, the Examiner's Report concluded the CRtBO should be refused for two reasons. In the first instance, the Examiner concluded:

*'...the uncertainty about the effects of the development and whether it can be satisfactorily delivered means that I cannot be sure that the Order had sufficient regard to national policies and guidance or will contribute to the achievement of sustainable development'*.
- 1.10. Secondly, the Examiner concluded:

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<sup>1</sup> A CRtBO is a form of Neighbourhood Development Order which can be used to grant planning permission for small scale development for community benefit on a specific site or sites in a neighbourhood area.

*'I cannot be certain that the making of the Order would not breach, or otherwise be compatible with EU obligations insofar as consideration as to whether an EIA was needed should have been undertaken'.*

- 1.11. As a result, the Examiner's Report concluded the proposed CRtBO should not proceed to Referendum.

**APPENDIX 4**

**SLAUGHAM NEIGHBOURHOOD PLAN 2**

**2019**

## 1. SLAUGHAM NEIGHBOURHOOD PLAN 2

- 1.1. Following the receipt of SNP1 Examiner's Report and a period of reflection, Slaugham Parish Council (SPC) resolved to prepare a revised Neighbourhood Plan, hereon-in to be referred to as Slaugham Neighbourhood Plan 2 (SNP2). A new Neighbourhood Plan Steering Group (NPSG) was formed in August 2014 and work commenced on SNP2.
- 1.2. SNP2 was prepared at a time when the Mid Sussex District Plan (MSDP) was being prepared. This was subsequently adopted in March 2018. The MSDP established the housing need of the District over the Plan period up to 2031 at 16,390.
- 1.3. Policy DP4 of the MSDP, sets out a spatial distribution of the housing requirement by reference to a settlement. This set out the minimum housing requirement in each settlement category over the Plan period and the minimum residual from 2017, accounting for completions and commitments.
- 1.4. Policy DP6 of the MSDP identifies Handcross and Pease Pottage as Category 3 settlements. It identifies Slaugham and Warninglid as Category 4 settlements.
- 1.5. A table within the policy sets out a requirement for Category 3 settlements to collectively contribute a minimum of 311 additional dwellings and for Category 4 settlements to deliver a minimum 19 additional dwellings through future allocations (i.e. to contribute to the 2,439 dwellings).
- 1.6. With respect to Slaugham, Handcross and Pease Pottage were identified as Category 3 settlements whilst Slaugham and Warninglid were identified as Category 4 settlements.
- 1.7. The supporting text of MSDP Policy DP6 provides clarity between the District Council housing requirement and the role of individual Neighbourhood Plan in meeting the housing requirement of 2,439.
- 1.8. With respect to the settlements of Slaugham Parish, no minimum residual housing requirement from 2017 onwards was identified. An associated footnote confirms:

*"The required minimum provision at Pease Pottage (Slaugham Parish) is significantly greater than other settlements within Category 3 due to the allocation and subsequent permission granted for 600 homes within this settlement. Due to this, the other settlements within Slaugham (Handcross, Slaugham and Warninglid) will not be required to identify further growth through the Plan process on top of windfall growth although may wish to do so to boost supply."*
- 1.9. In light of MSDC's position, as an intrinsic part of the preparation of the SNP2, detailed consideration was given to the number of houses that need to be delivered in the Parish over the Plan period 2014 - 2031.
- 1.10. SPC undertook a Housing Needs Consideration Assessment in December 2016. This Assessment applied different methodologies to calculate local housing need, reliant upon data from a variety of sources, including the Office for National Statistics.

- 1.11. The Assessment provided a range of housing figures for growth of the parish over the Plan period. Based on the results of the Assessment, SPC resolved that the local housing need over the Plan period was 270-310 dwellings.
- 1.12. As part of this work, a review of planning permissions and completions in the parish was undertaken. This confirmed a total of circa 284 dwellings, excluding the strategic allocation, had been permitted and completed in the parish since 2014. Of the 284 dwellings granted permission/ completed in the parish since April 2014, 146 dwellings<sup>1</sup> have been granted permission/completed in Pease Pottage.
- 1.13. In light of the above context SPC considered whether modest housing growth should be facilitated within the SNP through modest land allocations for housing development. In line with the NPPF, paragraph 59, SPC wish to support the Government's objective to boost the supply of homes. SPC agree *"it is important that a sufficient amount and variety of land can come forward where it is needed..."*
- 1.14. The strategic policies of the MSDP seek additional housing allocations to deliver further growth over the Plan period. The MSDP confirms, some of this housing should be delivered in and around Category 3 settlements (that includes Handcross and Pease Pottage) and Category 4 settlements (that includes Slaugham and Warninglid).
- 1.15. Given the strategic allocation at Pease Pottage, will meet some of the needs of Crawley (as well the needs of the Northern West Sussex Housing Market Area), rather than meet the specific needs of the parish, and in light of the MSDP making clear that further growth within the parish would be supported in order to 'boost supply', SPC resolved further modest growth should be accommodated in the Parish in order to boost the supply of homes.
- 1.16. SPC considered that the modest additional housing growth could both contribute to the minimum residual housing need set out in Policy DP4: Housing, and the housing need within the parish, specifically beyond Pease Pottage. Furthermore it was considered modest growth would contribute to sustaining the services and facilities of the parish that are beyond this settlement and maintain the vitality of the local area.
- 1.17. SPC undertook a thorough environmental and policy based assessment of all sites received as part of the Plan preparation process. Careful consideration was given to the sustainability merits of each of the sites. The scale and sustainability of the Parish's four settlements was also given consideration. Given the level of growth in the Parish in recent years, SPC were also mindful of the distribution of completed and committed housing growth.
- 1.18. All potential housing sites were tested against the Sustainability Framework. The assessment highlighted that all sites positively contribute to the delivery of housing. The majority would be likely to include some provision of affordable housing. It demonstrated sites that were close to existing services and facilities score more favourably against the objectives which seek to enhance non-car modes of travel. The assessment confirmed the majority of sites had negative impact on environmental Objectives. The extent of this varies dependent on the location of the

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<sup>1</sup> 12/02128/FUL and 13/02994/OUT

site, in particular with reference to the High Weald AONB. These collectively result in a parish that is relatively constrained in environmental terms.

- 1.19. In order to seek to facilitate the delivery of housing need in the parish, it was considered inevitable there would be some harm, particularly against environmental Objectives. Undertaking the requisite balancing exercise, it was considered sites off St.Martins Close score more favourably and the potential to limit and mitigate the adverse impacts were greater.
- 1.20. Having assessed all reasonable alternative sites, SPC elected to allocate St.Martins Close (East), and St.Martins Close (West) which the Assessment demonstrated would overall, and on balance, positively meet the Sustainability Objectives of the Plan.
- 1.21. The Submission SNP2 was prepared on this basis and therefore proposed to allocate St. Martin Close (East) for up to 30 residential dwellings and St. Martin Close (West) as a reserve site for up to 35 residential dwellings.
- 1.22. SPC considered the development of the sites, in the interest of good planning, should follow a sequential approach with St. Martin Close (East) to be developed prior to development commencing on St. Martin Close (West).
- 1.23. The SNP2 underwent Examination in early 2019 with the Examiner's Report published in May 2019. Subject to a series of recommended modifications the Examiner concluded that SNP2 meets all the necessary legal requirements and should proceed to referendum.
- 1.24. With respect to SPC's approach to facilitating the delivery of housing, the Report concluded:

*'the Parish Council has taken a responsible and a thorough approach to this important aspect of the plan-making process. In particular it has addressed the matter of future housing development in a positive fashion and has responded to the opportunity provided by the Local Plan Inspector to consider further residential development in the Parish beyond the strategic allocation at Pease Pottage. In doing so it has sought to dovetail the preparation of the neighbourhood plan into the emerging Site Allocations DPD work'<sup>2</sup>.*
- 1.25. In terms of the proposed locations of development, the Examiner concluded Handcross is an appropriate location for new residential development. Furthermore it was considered SPC 'have chosen the correct package of sites and that it has done so on the basis of an appropriate evidence base within the SA'.<sup>3</sup>
- 1.26. With respect to St.Martin Close (East), given the circumstances of the site (as set out in parra 7.88-7.91 of the Report), the Examiner recommended that the open space is provided as an integral part of its development.
- 1.27. With respect to St.Martin Close (West), the Examiner confirmed the site should be considered as a reserve site. In order to ensure its delivery, the Examiner recommended the trigger point

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<sup>2</sup> Examiner's Report, Para 7.83

<sup>3</sup> Examiner's Report, Para 7.84



for the consideration of the release of the site should be whichever of the following four events occurs first:

- The review of neighbourhood plan itself – this review process is already recommended elsewhere in this report;
- The adoption of the emerging Mid Sussex Allocations DPD – this process will determine whether or not the site is required to meet the residual District housing requirement;
- The adoption of any review of the District Plan – this process would have a similar effect to that of the adoption of the DPD;
- A material delay in delivery of the Pease Pottage strategic delivery site in the adopted District Plan – the allocation of this site and its development trajectory has been an important factor in underpinning the development of the adopted District Plan and the emerging neighbourhood plan.

1.28. Following the Examination, MSDC in conjunction with SPC agreed the Examiner's recommendations and the Referendum SNP2 was prepared. The SNP2 was subject to Referendum in July 2019 and was formally 'made' in September 2019.

1.29. SNP2 covers the Plan period 2014-2031 and provided a framework for the future development of the parish, including the villages and settlements of Handcross, Pease Pottage, Warninglid and Slaugham, and their rural hinterland.

1.30. Chapter 6 of the SNP2 relates to housing. Policy 9 of SNP2 allocates St. Martin Close (East) for residential development. In line with the Examiner's recommendation the policy requires the development to provide open spaces to the standards set out in higher tier documents.

1.31. In addition, it seeks for the design to reflect the surrounding character of the area, retain the existing tree belt on the western and southern boundary, and reinforce the boundary to the countryside. It states that access should be gained via St Martin Close, with the scheme also providing future vehicular and pedestrian access to the adjoining land to the west.

1.32. The wording of Policy 9 is set out below for ease:

*'Development proposals for up to 30 residential units on land at St. Martin Close (east) will be supported where:*

*Proposals provide a suitable mix of dwelling type and size to meet the needs of current and future households;*

*The design positively responds to the prevailing character of the surrounding area;*

*Proposals allow for the retention of existing mature trees and hedgerows on the western and southern boundaries;*

*The development provides open space at least to the standards set out in the MSDC Development Infrastructure and Contributions Supplementary Planning Document;*

*Proposals provide suitable access via St. Martin Close and adequate parking arrangements; 6. Proposals enable future vehicular and pedestrian access to St. Martin Close (west);*

*Ensure layout is planned to ensure future access to the existing sewerage infrastructure maintenance and upsizing purposes; and*

- *Provide an adequate gap between the pumping station and development to help prevent any unacceptable impact from noise and/or vibration.'*

- 1.33. The supporting text notes the land is considered suitable for development in the early part of the Plan period (2017-2022) and that it could accommodate up to 30 residential units which would positively contribute towards housing need. It notes that the scheme should provide an appropriate mix of housing, to include affordable housing in line with local planning policy.
- 1.34. Policy 10 of SNP2 allocates St Martin Close (West) for residential development. Policy 10 states that the land is suitable for the development of up to 35 dwellings subject to a number of criteria. This includes that access should be provided via St Martin Close (East).
- 1.35. The wording of Policy 10 is set out below for ease:

*'Land at St. Martin Close (west), Handcross is identified at the relevant trigger point in Paragraph 6.26 of this Plan, development proposals for up to 35 houses will be supported subject to the following criteria:*

*Proposals provide a suitable mix of dwelling type and size to meet the needs of current and future households;*

*The design positively responds to the prevailing character of the adjacent residential development;*

*The development provides open space at least to the standards set out in the MSDC Development Infrastructure and Contributions Supplementary Planning Document;*

*Proposals allow for the retention of existing mature trees and hedgerows on the northern, southern and western boundaries;*

*Proposals provide access via St.Martin Close (east); and*

*Proposals provide suitable parking arrangements..'*

- 1.36. In line with the Examiner's recommendation, the supporting text<sup>4</sup> confirms land is allocated for development when 'needed,' but that the trigger point for this was not possible to identify definitively at the time the Plan was made.
- 1.37. The supporting text of SNP2 states:

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<sup>4</sup> Paragraph 6.23 - 6.33 of the Slaughtam Neighbourhood Plan

*'The SNP allocates St. Martin Close (west) as a reserve site to come forward later within the Plan period following the delivery of St. Martin Close (east) if required, to ensure the long-term housing need of the Parish is positively met.*

*The development of St. Martin Close (east) should plan for future vehicular and pedestrian access to St. Martin Close (west). Following the development of St. Martin Close (east), it is envisaged that development on land to the west can come forward if needed.*

*The potential trigger point at which the need, or otherwise, for the release of this reserve site will be considered will be an important matter for SPC. At this stage, it is impractical to identify the way in which various processes will unfold over the next few years. These include progress on the Mid Sussex Allocations DPD, the development of St. Martin Close (east) site and wider housing delivery in both the District, and the neighbourhood area. As such, the trigger point for the consideration of the release of the site should be whichever of the following events occurs first – the review of the Neighbourhood Plan itself; the adoption of the emerging Mid Sussex Allocations DPD; the adoption of any review of the MSDP, and a material delay in delivery of the Pease Pottage strategic delivery site in the adopted MSDP. SPC will involve MSDC in this exercise given the overlaps with strategic housing delivery.'*

## **APPENDIX 5**

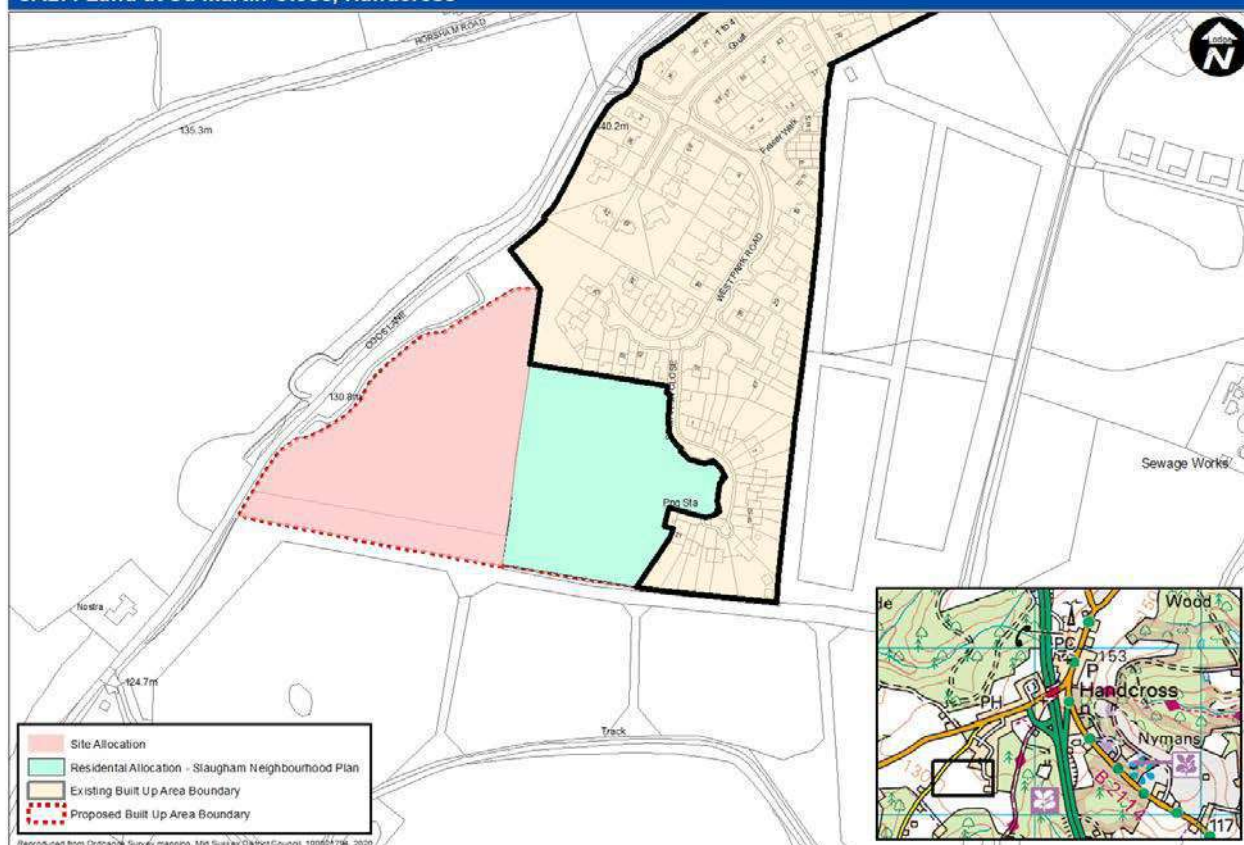
# **EXTRACT OF MID SUSSEX SITE ALLOCATION DEVELOPMENT PLAN**

## SA 27

### Land at St. Martin Close, Handcross

<b>SHELAA:</b>	127	<b>Settlement:</b>	Handcross
<b>Gross Site Area (ha):</b>	1.9	<b>Number of Units:</b>	35 dwellings at St Martin Close (West)
<b>Description:</b>	Housing and open space allocations		
<b>Ownership:</b>	Private landowner		
<b>Current Use:</b>	Grazing land	<b>Indicative Phasing:</b>	35 units 6 to 10
<b>Delivery Mechanisms:</b>	Landowner in partnership with developer		

SA27: Land at St. Martin Close, Handcross



## Objectives

- To deliver a high quality, landscape led, sustainable extension to Handcross, which respects the character of the village and conserves and enhances the landscape and scenic beauty of the High Weald AONB, and which is comprehensively integrated with the settlement so residents can access existing facilities.
- The Slaugham Neighbourhood Plan allocates St Martin Close (East) for 30 dwellings (SNP: Policy 9 refers) and St Martin Close (West) as a Reserve site for 35 dwellings (SNP: Policy 10 refers). The Neighbourhood Plan identifies that the release of the Reserve site is to be triggered by a number of potential events, including the adopted Mid Sussex Site Allocations DPD and the need to allocate the site to meet the residual District housing requirement.
- This policy allocates St Martin Close (West) for housing and open space, subject to phasing as set out in the Neighbourhood Plan i.e. to come forward later within the Plan period following the delivery of St Martin Close (East). It seeks to ensure that a high quality, landscape led and coherent sustainable extension to Handcross is delivered, including integrated open space and access arrangements with that of St Martin Close (East).

<b>Urban Design Principles</b>
<ul style="list-style-type: none"> <li>• Provide a landscape led, coherent master-plan that involves integrated design, landscaping, access and open space arrangements with that of St Martin Close (East).</li> <li>• Contribute towards local character and local needs of Handcross village and the High Weald AONB by providing a mix of dwelling types and sizes, including smaller terraces or flats, ensuring contextual architectural style and detailing.</li> <li>• Enhance the connectivity of the site with Handcross village by providing pedestrian and/or cycle links to St Martin Close, West Park Road and Coos Lane.</li> <li>• Orientate development with building frontages facing the tree lined field boundaries and open space to provide an attractive backdrop to the public realm and to avoid trees overshadowing back gardens.</li> </ul>
<b>AONB</b>
<ul style="list-style-type: none"> <li>• Ensure that the site layout, capacity and landscape mitigation requirements are informed by the recommendations of a Landscape and Visual Impact Assessment (LVIA), in order to conserve and enhance the landscape of the High Weald AONB, as set out in the High Weald AONB Management Plan.</li> <li>• Retain and enhance mature trees and planting along the boundaries of the site, incorporating these into the landscape structure and Green Infrastructure provision of the development to limit impacts on the wider countryside.</li> </ul>
<b>Social and Community</b>
<ul style="list-style-type: none"> <li>• Integrate the provision of open space between the two sites, and with the existing open space at West Park Road, to provide enhanced and connected open space facilities. The open space is to be accessible and inclusive to the local community.</li> </ul>
<b>Historic Environment and Cultural Heritage</b>
<ul style="list-style-type: none"> <li>• The site is located near the crest of a sandstone ridge in the High Weald, a favourable location for archaeological sites, requiring Archaeological Assessment and appropriate mitigation arising from the results.</li> </ul>
<b>Biodiversity and Green Infrastructure</b>
<ul style="list-style-type: none"> <li>• Undertake an holistic approach to Green Infrastructure provision through biodiversity and landscape enhancements within the site connecting to the surrounding area.</li> <li>• Conserve and enhance areas of wildlife value and ensure there is a net gain to biodiversity overall. Avoid any loss of biodiversity through ecological protection and enhancement, and good design. Where this is not possible, mitigate and as a last resort, compensate for any loss.</li> <li>• Incorporate SuDS within the Green Infrastructure to improve biodiversity and water quality.</li> </ul>
<b>Highways and Access</b>
<ul style="list-style-type: none"> <li>• Provide integrated access with St Martin Close (East). Access from Coos Lane is not acceptable for highway and landscape reasons.</li> </ul>
<b>Flood Risk and Drainage</b>
<ul style="list-style-type: none"> <li>• Design surface water drainage to minimise run off, to incorporate SuDS and to ensure that Flood Risk is not increased.</li> <li>• Layout to ensure future access to existing wastewater infrastructure for maintenance and upsizing purposes. A 15 metre gap between the pumping station and any sensitive development (such as housing) should be taken into consideration in the site layout.</li> </ul>
<b>Utilities</b>
<ul style="list-style-type: none"> <li>• Underground wastewater infrastructure crosses the site.. Ensure that the layout of the development enables future access to existing wastewater infrastructure for maintenance and upsizing purposes.</li> </ul>

## **APPENDIX 6**

### **LEGAL CONSIDERATIONS ADVICE**

Slaugham Parish Council  
2 Coltstaple Cottages,  
Coltstaple Lane  
Horsham  
West Sussex  
RH13 9BB

YOUR REF:  
OUR REF: SLAUG01-08  
DATE: 9 November 2022

Dear Sally

**Re: Disposal of land at St Martin Close (east) Handcross**

**LEGAL CONSIDERATIONS (edited)**

The Council has instructed me to advise on the relevant considerations in the event that it wishes to dispose of the land described below. Whether or not the Council decides to make that disposal is, of course, a matter for it.

**The site and the title**

- 1 The Council's land is described on the Land Registry title as being on the west side of St Martin Close Handcross and is registered under title number WSX357777. I have referred to the Council's land as part of the eastern site. The land is shown on the title plan attached (the title plan) and is marked D on the second plan (the Plan). To the west is the Hextall land (the western site) (marked C on the Plan) and to the east (the eastern portion) is an estate of 20 houses built some 20 years ago by Mid Sussex Housing Association (MHSA)/New Downland Housing or its successor (marked E, F, G, H on the Plan). Land to the north is now owned by Clarion (the successor to MHSA/ New Downland) (and any transferees) (marked B on the Plan) and Mid Sussex DC (MSDC) (open space) (marked A on the Plan). A small parcel of land immediately adjacent to the Council's land is now owned by Southern Water (marked G on the Plan) (transferred by [Clarion] in 2006). Clarion has also transferred two parcels of land F in 2010 and H in 2014. The Council's land comprises open space. The letters A-H are references to the letters on the Plan. It is assumed that Clarion is the successor to MHSA, Downland and New Downland.
- 2 The history of the Council's land is complicated and the title complex. Much of the history is described in a Lands Tribunal (LT) decision of 1998.
- 3 In summary, the Council's land is subject to
  - restrictive covenants (both as to use and development) in favour of MSDC through a s 106 agreement dated 29/1/1998 and made between MSHA and MSDC not to use the Council's land (D) other than as public open space (pos covenant 1). The agreement would have to be varied. Having regard to MSDC's attitude in 1999 and its agreement to



the development through the local and neighbourhood plan processes one assumes that this would not prove to be a difficulty.

- on 5/2/1999 Hextall transferred the eastern site (D, E, F, G, H) to MSHA. The transfer clearly envisaged the implementation of planning permission SV/038/96 (20 affordable units). He imposed a restrictive covenant to benefit his retained land to the effect that the land subsequently transferred to the Council (D) shall not be used other than as public open space. The terms of that restrictive covenant (pos covenant 2) are *"not to use or cause or permit the public open space [as shown] on the plan to be used other for an open space without the consent in writing of the transferor and no buildings are to be erected on the land without the consent in writing of the transferor"*. This pos covenant 2 can be enforced against MSHA or its successors and SPC. In addition Hextall reserved to the benefit of his retained land (the western site) (C) a right of way along the northern boundary of (what is now) the Council's land for agricultural purposes.
- pos covenant 2 remains in favour of Hextall through the chain of covenants. This burdens both the Council's land (D) and also the land marked E, F, G, H,) This would require releasing certainly so far as the Council's land is concerned. Hextall has, in addition a right of way over the land at the north of the Council's land (6m in width for agricultural purposes). Hextall has no general right of access over the Council's land for non-agricultural purposes although there are rights to run services. As part of any deal the Council would want to see this right surrendered.
- on 20/3/2000 New Downland, the successor to MSHA transferred the western portion of the eastern site (D) to the Council subject to amongst other things a restrictive covenant not to use the land other than public open space (in essentially the same terms as the covenant in the planning agreement) (pos covenant 3). The land is describe open space and the transfer is subject to three material obligations:
  - *not to use or cause or permit the land to be used other than as public open space etc. in identical terms to the 1999 transfer* (pos covenant 3). The benefited land was that retained by Hextall in the 1999 transfer.
  - *To comply with the s 106 agreement* (pos covenant 1)
  - *To comply with the restrictive covenant in the 1999 transfer i.e. the obligation not to use or cause or permit the land to be used as public open space* (pos covenant 2).
- pos covenant 3 in favour of New Downland or its successor Clarion restricting the Council's land to public open space. This would require releasing.
- None of the restrictive covenants affecting the title would prevent the Council from disposing of the land but their existence and the steps needed to address them could affect the saleability, value and developability of the land.

### **The legal requirements as to transfer**

- 1 [Section 127 of the Local Government Act 1972](#) provides that a Parish Council, may dispose of land held by them in any manner they wish, subject to a requirement in section 127(2) to secure the best consideration that they can.
- 2 Where the land to be transferred is open space the Council must comply with the advertisement requirements of s 127(3) and consider any representations made.

- 3 It is Government policy that local authorities and other public bodies should dispose of surplus land wherever possible. Generally, it is expected that land should be sold for the best consideration reasonably obtainable (see s 127(1)).
- 4 Circular 06/03 provides advice on valuations generally and with respect to proposals to dispose of land at an undervalue. Before disposing of any interest in land and especially before disposing of any interest in land for a price which may be less than the best consideration reasonably obtainable, local authorities are strongly advised in all cases to ensure that they obtain a realistic valuation of that interest, following the advice provided in the Technical Appendix to the Circular. This applies even for disposals by means of formal tender, sealed bids or auction, and irrespective of whether the authority considers it necessary to make an application to seek the Secretary of State's specific consent. By following this advice, an authority will be able to demonstrate that it has adopted a consistent approach to decisions about land disposals by carrying out the same step by step valuation process on each occasion. Supporting documents will provide evidence, should the need arise, that an authority has acted reasonably and with due regard to its fiduciary duty.
- 5 However, it is recognised that there may be circumstances where an authority considers it appropriate to dispose of land at an undervalue. Authorities should clearly not divest themselves of valuable public assets unless they are satisfied that the circumstances warrant such action. For this reason s 127(2) provides that sales at an undervalue require ministerial consent. A General Consent has however been issued (Circular 06/03). The Consent has been issued to give local authorities autonomy to carry out their statutory duties and functions, and to fulfil such other objectives as they consider to be necessary or desirable. However, when disposing of land at an undervalue, authorities must remain aware of the need to fulfil their fiduciary duty in a way which is accountable to local people. The terms of the Consent mean that specific consent is not required for the disposal of any interest in land which the authority considers will help it to secure the promotion or improvement of the economic, social or environmental well-being of its area. It will be for the authority to decide whether these decisions taken comply with any other relevant governing legislation. In all cases, disposal at less than best consideration is subject to the condition that the undervalue does not exceed £2,000,000 (two million pounds). In determining whether or not to dispose of land and especially whether or not to dispose of land for less than the best consideration reasonably obtainable, and whether or not any specific proposal to take such action falls within the terms of the Consent, the authority should ensure that it complies with normal and prudent commercial practices, including obtaining the view of a professionally qualified valuer as to the likely amount of the undervalue.
- 6 The presumption is that the Council is primarily obliged to comply with the requirement to obtain the best consideration reasonably obtainable. Should it consider it appropriate to sell at an undervalue, then it must knowingly do so after proper consideration. A council is entitled to dispose of land in any way reasonable (s 127(1)): this might involve a competition of some kind or a negotiated sale. Justification, transparency and auditability are important.
- 7 Legal advice - It is essential that not only is proper legal advice taken but that the advice which is received is actually considered.
- 8 Decision Making - Decisions must be properly taken. To ensure that any decision is lawful, it has to be shown that the decision was a reasonable one. As indicated above, whether or not the Council were minded to dispose of land at best consideration or at an undervalue it

must take appropriate legal and professional valuation advice. A decision will be deemed to be unreasonable if it:

- fails to take into account relevant factors; and/or
- takes into account irrelevant facts; and
- is one that no reasonable Council would make.

9 The Council must have regard to its fiduciary duty to its taxpayers.

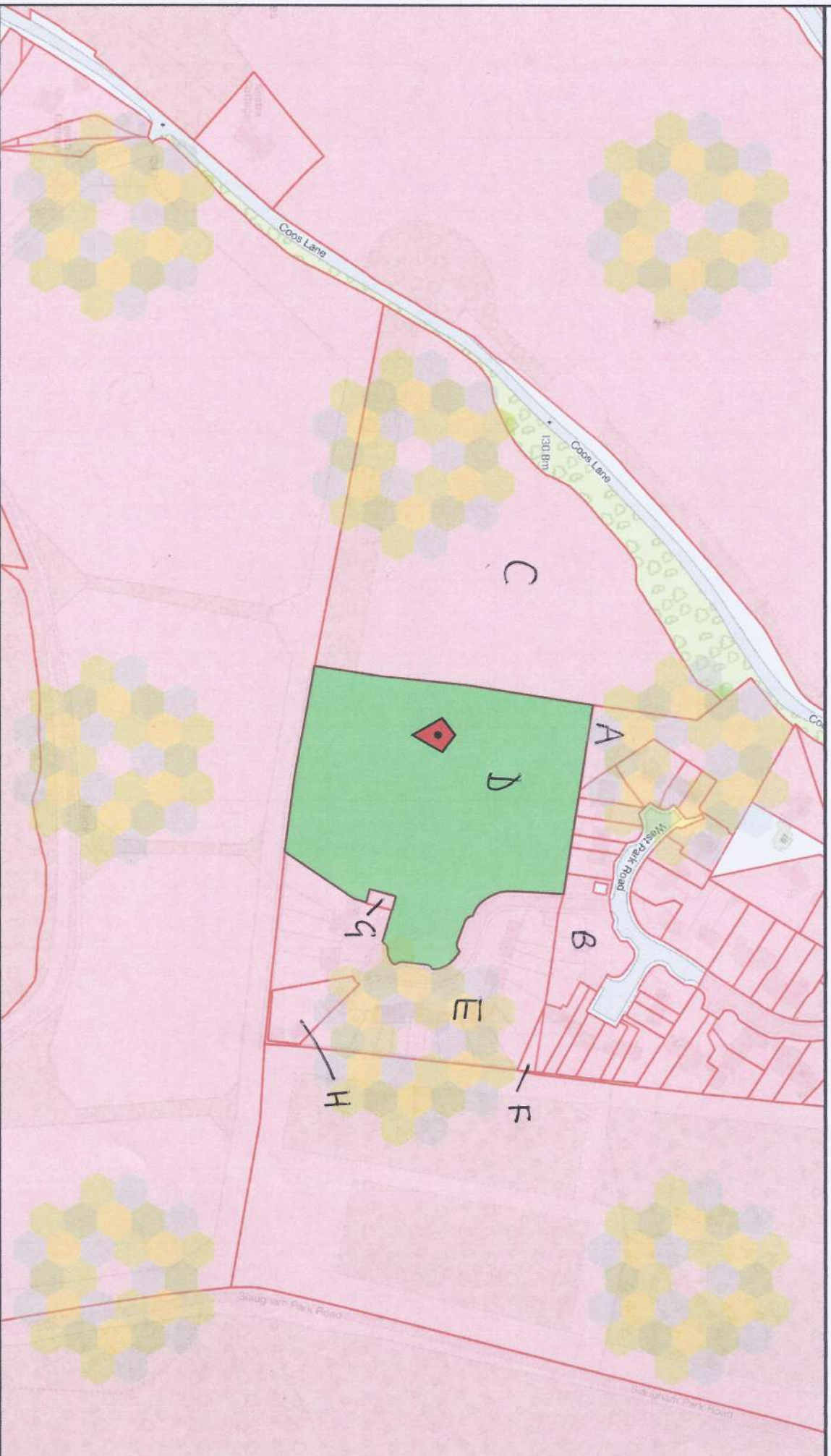
10 Among relevant considerations will be:

1. the Council's statutory powers and duties in connection with the disposal of land
2. government guidance connected to the disposal of land
3. the constraints on the land (and any that might be imposed on sale), the removal of constraints on the land through the sale process, and the significance of any special purchaser
4. the amount, composition and timing of any consideration
5. the planning context and what would be regarded as appropriate planning principles applying to the future use or development of the land
6. the extent (if at all) the Council should become involved in the development process with attendant risk and expense and/or the passing of risk to any developer purchaser
7. the Council's policy objectives in disposing of the land
8. the method of disposal. The Council has considered a range of options for structuring the disposal although the most obvious currently available and normal in the circumstances would be a conditional sale, i.e. a sale conditional upon the grant of planning permission. Addressing the restrictive covenants is a matter of negotiation.

11. It is for the Council to decide whether or not it wishes to proceed with the disposal of the land and the terms of any such disposal having regard to the advice given in this note and the other advice of its consultants. Once a decision to proceed with a disposal is made and to whom, then the Council will wish to instruct its surveyor to conclude the terms for such disposal and then to instruct its solicitor to handle the legal work.

Yours sincerely

**Ian Davison**  
**Consultant**  
**Surrey Hills Solicitors LLP**  
**ian.davison@surreyhillssolicitors.co.uk**



0 10 20 30 40 50 60 70 80 100m

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Data last updated 10:00pm 29 MARCH, 2021

Map scale 1:2500

**These are the notes referred to on the following official copy**

The electronic official copy of the title plan follows this message.

Please note that this is the only official copy we will issue. We will not issue a paper official copy.

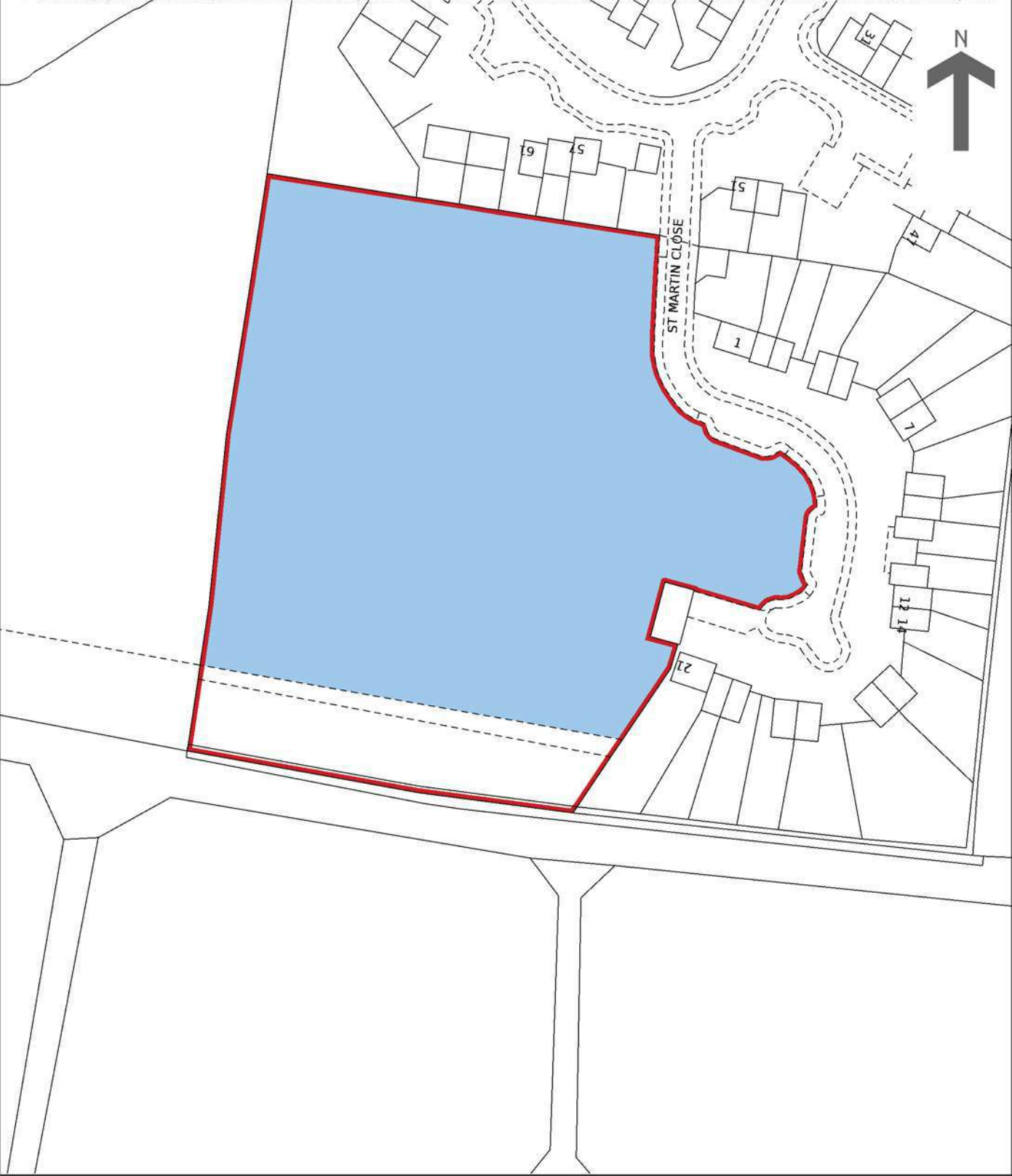
This official copy was delivered electronically and when printed will not be to scale. You can obtain a paper official copy by ordering one from HM Land Registry.

This official copy is issued on 31 August 2021 shows the state of this title plan on 31 August 2021 at 18:21:51. It is admissible in evidence to the same extent as the original (s.67 Land Registration Act 2002). This title plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale. Measurements scaled from this plan may not match measurements between the same points on the ground. This title is dealt with by the HM Land Registry, Durham Office .





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## **APPENDIX 7**

# **FOWLERS VALUATION REPORT**

# Site Appraisal and Report

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For Slaugham Parish Council

November 2022

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Fowlers Land and New Homes





**RE: Land known as St Martins Close (East) Handcross, West Sussex**

Thank you for instructing me to provide a detailed report on the marketing of the above site,

I hope you find the enclosed helpful. However, please do not hesitate to call if there are any areas you wish me to expand upon or clarify.

Kind regards

Yours sincerely

*Jhoad & MHoad*

Marcel Hoad MRICS & Jamie Hoad  
Fowlers Land and New Homes

<b>Addressee:</b>	Slaugham Parish Council
<b>Instructions and Terms of Engagement:</b>	Instructions were received on 11 <sup>th</sup> August 2021.
<b>Purpose of Valuation:</b>	Sale of land on behalf of Slaugham Parish Council
<b>Basis of Valuation:</b>	Market Valuation of land, subject to planning with Vacant Possession
<b>Valuation Date:</b>	As at date of report.
<b>Valuer:</b>	Marcel Hoad MRICS – Chartered surveyor in planning and development
<b>Conflicts of interest:</b>	We confirm the valuer does not have a conflict of interest in undertaking this valuation.
<b>Sources of Information:</b>	<p>Transactions undertaken by this firm:</p> <ul style="list-style-type: none"> <li>• Site plans provided to us.</li> <li>• Web search sites</li> <li>• Relevant planning authority web sites.</li> <li>• Rightmove.com.</li> <li>• Searchland</li> <li>• Nimbus</li> </ul>
<b>Inspection:</b>	On numerous occasions since 2021
<b>Measurements:</b>	The site measures approximately 3.5 acres
<b>Assumptions and Caveats:</b>	<p>We are aware of some onerous covenants that have an affect on value and have taken this into account within our valuation. Please see appendix 1, note from solicitor regarding.</p> <p>We assume legal searches would not reveal any further issues that would be likely to have material effect upon the valuation. If any such factors come to light we may need to reassess our valuation.</p>
<b>Special Assumptions:</b>	The valuations reported assume that all requisite Local Authority consents will be obtained in respect of the proposed development of the site. The site is burdened by an access to the land to the rear (land at St Martins close 'west')

### Chronology:

- Fowlers were appointed on 16<sup>th</sup> August 2021 to act for Slaugham Parish Council ( SPC ) in the disposal of the land at St. Martin Close, Handcross, title WSX 357777. The land was an allocation in the Slaugham Neighbourhood Plan as land for residential development (Policy 9). This plan was made in September 2019 and envisaged a development of up to 30 residential properties

### Process:

It was established there were a number of covenants and a right of way across the land leading to the land at St. Martins Close (West). This third party land was subject to an option agreement contract to Millwood Designer Homes.

### Situation:

The Land is situated to the west of St Martin close in Handcross and has been allocated in the Slaugham Neighbourhood plan for residential development (Policy 9) lying within the High Weald area out Outstanding Natural Beauty (ANOB)

### Stage One

#### Valuation of site :

If disposed on a conditional contract basis, subject to purchasers securing planning permission, having regard to the allocation for residential lead development, within the made Slaugham Neighborhood Plan.

#### General

#### Description:

The eastern part of the site is scrubland, but the character is influenced by the adjacent residential developments.

#### Development

#### Proposal and

#### Accommodation:

The proposal is to construct 30 residential units, with a mix of housing styles and sizes, please see Appendix 2 spreadsheet for assumptions on house types and accommodation schedule.

The proposal is for 21 open market dwellings, and 9 social dwellings, with a mix of tenures, the proposal is for a compliant scheme with 30% affordable housing provision, providing 9 affordable units and 21 open market units.

Total square footage to be circa 28,309 sqft of which 22,906 sqft is open market.

**Construction:**

Turning to the proposed development, and for the purpose of this valuation we assume that normal traditional foundations will be appropriate and that contamination levels are low and that any other works will be taken on board by the developer.

We understand that the type of construction that will take place for the units will be of timber framed build. We understand that the properties are to be constructed to a high standard of insulation.

We assume that all the units will be fitted and finished to a good standard, we assume that the completed building will benefit from a ten-year NHBC or equivalent insurance – backed guarantee and conform to current building regulations with appropriate guarantees and builders warranties.

**Services:**

We have not made any enquiries to the service providers or tested the services but understand that mains water, electricity, drainage, and gas are available and that the properties will benefit from heating and hot water systems.

**Roads and Rights of Way:**

Given the nature and surfacing of St Martins close we have assumed that it is a highway adopted and maintainable at public expense.

**Planning:**

The site has been allocated for residential development in the Slaugham Neighborhood Plan (Policy 9 )

**Market Analysis and Valuations:**

The 2022 RICS UK Residential Survey results point to another strong month for housing market activity across the country.

There is a lack of property coming to the market and demand remains high which is showing an increase in values in the last year, however this has now peaked and in some cases, we are seeing price decreases.

**Assumed Summary of Completed Units:**

Please see spreadsheet in Appendix 2

**Valuation:**

Residual method of valuations defined as:

A valuation/ appraisal of a development based on a deduction of the costs of development from the anticipated proceeds, the residual is normally either development profit or land value (RICS guidance note valuation of development property first edition October 2019)

Land Appraisal for:		St Martin Close East, Handcross		
	Sqft	GDV	Costs	
Market	21,200	£8,440,000		
Affordable	7,109	£1,830,000		
	28,309	£10,270,000	£9,026,272	
Sales Costs Market	4%		£337,600	
Sales Costs Affordable	1%		£18,300	
Developer Margin	20%		£2,054,000	
Land			£1,184,503	
SDLT	5%		£59,225	
Developer Legal Costs			£15,000	
Seller's Legals			£10,000	
Affordable Housing Legal Costs			£12,000	
Finance Costs			£60,000	
Build Cost (£/Sqft)	£205		£5,803,345	
Contingency	5%		£290,167	
Possible e/o Piling as clay v. probable			£300,000	
Planning Application Costs			£100,000	
LPA Application Fees			£13,860	
LPA S106 Legals			£6,000	
Developer S106 Legals			£6,000	

This shows a land value based on a residual method of valuation to be in the region of £1.2million.

The effect of the covenants however can and will have a negative impact on land value and in reality would preclude most buyers from purchasing, given the restrictive nature of the covenants and the inability to release or relax, unless the buyer controls the land of St. Martins Close (west). Additionally – access – albeit Agricultural, would have to be maintained to St. Martins Close (west) at all times before, during and after construction. We have not allowed for any discount on land value reflecting the burden of the covenants

Additionally, the SPCNP provides that any development to St. Martins Close (west) has to come through St. Martins Close (east) as part of the allocation of this land. This potentially provides a negotiating position to remove consent, however, although the allocation provides for this access, there is an alternative access that could be used for this land from Coos Lane despite the allocation wording. It is considered that this could be incorporated in any development of St. Martins Close (west) and remove any ransom negotiation. The access existing does not allow current for any residential development.

## Valuation

### Definitions:

In accordance with the current Appraisal and Valuation Standards, market value is defined as:

**"the estimated amount for which Land should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper**

marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

#### **Valuation Assumptions:**

In preparing our valuations we have taken account of the following:

- a) That good freehold title can be shown and that the property is not subject to any encumbrances, unusual or onerous restrictions or covenants and is free from mortgages, debentures or other charges save the covenants contained in Appendix 1
- b) That the property is unaffected by any statutory notice and that neither the property nor its use nor its intended use given rise to a contravention of any statutory requirements.
- c) No allowance has been made for liability for taxation which may arise on disposal, whether notional or actual, unless specifically stated within the context of this report. This valuation does not reflect costs of realisation.

We have not carried out, nor commissioned, a site investigation or geographical or geophysical survey and can therefore give no assurance, opinion or guarantee that the ground has sufficient load bearing strength to support the existing structure or any other structures which may be erected upon it. We can also give no assurance, opinion or guarantee that there are no underground mineral or other workings within the site or in its vicinity, nor that there is any fault or disability underground.

#### **Stage 2 Millwood Designer Homes:**

Therefore, negotiations were opened with these developers as being the only party who could deliver the SPC land with release of covenants/right of way reciprocally. It was also felt that a better value would be obtained by a comprehensive development across the both sites and savings could be made and passed onto the SPC by this inclusive approach. It would also ensure consistency in design and delivery along with a mix of units, public open space and fulfil criteria within the neighborhood plan.

[Negotiations were held over a period of some 6/7 months, along with concept designs for development and indicative ft2. There was liaison with SPC solicitors – Ian Davidson at Surrey Hills Solicitors – an experienced firm with background of dealing with local authorities.]

Proposals were made and discussed between all parties and consideration given to capping of any deductible costs, overage in the event of a better planning consent, control and desire to deliver the requisite affordable housing requirements.

However Price agreed with Millwood Designer Homes is £1.8 million due to the comprehensive development value of the adjoining site.

(4) CLT – ( Community Land Trust ) With Aster

We are aware and have considered the offers from the CLT in particular the offers dated :  
July 2020 , October 2020 , December 2020 However for reasons as set out in Legal Annexes

below and points above- We do not feel that an offer from CLT or indeed any Third Party would be deliverable and certainly the offers have not taken into account Title Issue .

It is worth noting that under normal circumstances any land would be offered fully and freely on the open market by way of being advertised on various Website portals including Rightmove and onthemarket.com – However as previously stated It is felt that for any scheme or planning to be delivered in the short or medium term then the purchaser would need to have control over the ‘ Hextall land ‘

**Additions to offer:  
From Millwood  
Homes**

- 1) Purchase Price £1.8 million
- 2) SPC legal fees paid by developer to enter into agreement
- 3) Overage (upwards only) on increased ft2 by way of quasi equalisation with adjoining site based on 21,200 ft2 ( SPC Land only ) . Therefore, : Purchase Price divided by 21,200 ft2 x any market floor area across both sites in excess of 50,068 ft2 x 43% (land take %).
- 4) any S106 costs split pro rata of quasi equalisation.
- 5) A commitment that Millwood/Hextall will release the restrictive covenants in their favour.
- 6) The purchase price will be indexed (upwards only) from the point of exchange to protect against future price increases.
- 7) The developer will be responsible for all costs associated in the planning along with any S106 legal costs, LPA costs, legal costs, architects etc..

**Recommendations  
for offer from  
Millwood Homes:**

Due to the nature of the covenants burdening the site and the good level of offer to Millwood Homes, along with the overage and the ability to release restrictive covenants, we would recommend acceptance of this offer.

Additionally, we understand the enquires made by SPC with the LA planning department both during and after the allocation process has confirmed that the LA wish to see a comprehensive approach over both sites. The Parish Council also wish to see the site come forward together to minimise disruption locally . The presence of the covenants referred to above along with the need for a comprehensive development means that any other interest from another developer would be non deliverable.

**Confidentiality:**

This report is for the use of the party to whom it is addressed and should only be used within the context of the instructions under which it is prepared and these assumptions. It may be disclosed to other professional advisers assisting in respect of that purpose.

No responsibility is accepted to any third party for the whole or any part of its contents.

**Appendix One  
(covenants)**

**LEGAL CONSIDERATIONS**

**The site and the title**



- 1 The Council's land is described on the Land Registry title as being on the west side of St Martin Close Handcross and is registered under title number WSX357777. I have referred to the Council's land as part of the eastern site. The land is shown on the title plan attached (the title plan) and is marked D on the second plan (the Plan). To the west is the Hextall land (the western site) (marked C on the Plan) and to the east (the eastern portion) is an estate of 20 houses built some 20 years ago by New Downland Housing or its successor (marked E, F, G, H on the Plan). Land to the north is now owned by Clarion (the successor to New Downland) (and any transferees) (marked B on the Plan) and Mid Sussex DC (MSDC) (open space) (marked A on the Plan). A small parcel of land immediately adjacent to the Council's land is now owned by Southern Water (marked G on the Plan) (transferred by [Clarion] in 2006). Clarion has also transferred two parcels of land F in 2010 and H in 2014. The Council's land comprises open space. The letters A-H are references to the letters on the Plan. It is assumed that Clarion is the successor to MSHA, Downland and New Downland.
  
- 2 The history of the Council's land is complicated and the title complex. Much of the history is described in a Lands Tribunal (LT) decision of 1998.
  1. 31/10 1919 Cuckfield RDC acquired land at Handcross (A and B). MSDC is the successor to CRDC.
  2. 9/1/1981 The Slaugham Park Estate sold the western site (C) together with other land to Hextall.
  3. 1982 MSDC built houses on land to the north of the western and eastern sites.
  4. 16/5/1983 MSDC sold the eastern site (comprising D, E, F, G, H,) to Hextall subject to a restrictive covenant not to use the land other than for agricultural purposes. Hextall (the covenantor) gave the covenant (the agricultural use covenant; the beneficiary of the covenant (the covenantee) was MSDC. The agricultural use covenant also protected the successors in title to MSDC's land as the covenant protected the land (i.e. runs with the land) as well as MSDC.
  5. Post 1983 MSDC sold various houses on the land to the north as mentioned in the LT decision under the right to buy – the LT decision suggests that the first of these sales was in 1986-87.
  6. In 1990 MSDC transferred its housing stock to Mid Sussex Housing Association (MSHA). The benefit of the agricultural use covenant would have been assigned to or accrued to MSHA. It seems however that MSDC has retained land to the north of the eastern site (the retained land also abuts the western site) used for public open space according to the NP examiner's report (A). The beneficiaries of the agricultural use covenant were therefore MSDC (as original covenantee and owner of some retained land), MSHA (or its successor either by change of name, succession or purchase: New Downland, Clarion) and the purchasers of houses on the former MSDC land.
  7. In 1996 Hextall the owner of both western (C) and eastern sites (D, E, F, G, H) was approached by MSHA to allow the erection of some 20 affordable homes on the eastern portion of the eastern site (E, F, G, H,) with public open space being provided on the western portion (D). This triggered the planning



- application in 1996 and the 1997 application to the Lands Tribunal for the modification of the agricultural use restrictive covenant on the eastern site.
8. The objectors to the modification application were residents who had bought their homes under the right to buy or the preserved right to buy as they had claimed that they enjoyed the benefit of the restrictive covenant imposed by MSDC in the 1983 transfer. In this they were entitled to claim the benefit as successors in title to MSDC.
  9. While the Lands Tribunal case was in progress, on 29/1/1998 MSHA and MSDC entered into a s 106 agreement regulating the affordable housing and imposing a covenant preventing the public open space land (what is now the Council's land) to be used other than as public open space (pos covenant 1). That covenant regarding the open space is enforceable against SPC as the successor in title to MSHA/Downland. I note from the neighborhood plan papers that the Council is alive to the s 106 covenant's binding the eastern site.
  10. The LT considered the discharge or modification of the restrictive covenant at a hearing in October and November 1998. MSDC showed no interest in enforcing the covenants and indeed in its role as local planning authority granted permission for the erection of the 20 houses and provision of open space and also concluded a s 106 agreement for the purpose. The LT heard evidence and submissions on various legal grounds for the discharge or modification of the covenant and concluded that some of the objectors had the benefit of the covenant but their concerns could be overcome by the payment of compensation. By the LT's decision dated 16/11/1998 the covenant was modified to permit the development proposed by the 1996 planning application and s 106 agreement i.e. for the residential development on the eastern portion of the site (E, F, G, H) and the use of the western portion of the site (D) as public open space. The matter was finally disposed of on 20/1/1999.
  11. On 5/2/1999 MSDC entered into a deed of release of the agricultural use restrictive covenant with Hextall and on the same day he transferred the eastern site to MSHA.
  12. The purport of the deed of release was clearly (1) to release the owner, Hextall, and his successors but also the land from the restriction and (2) to treat the agricultural use covenants as null and void and of no effect and (3) specifically to permit the development pursuant to the planning permission. As between MSDC and Hextall the deed of release releases Hextall from the covenant in contract. The difficult question is whether the deed of release has the effect of releasing Hextall and his site from the covenant so far as MSDC's successors to the land to the north i.e. the land found by the LT to be protected. Nevertheless, the Land Registry has taken the view that the agricultural use covenant is wholly discharged. I mention the potential issue of the agricultural use covenant because of a certain nervousness on the part of Hextall.
  13. Continuing the narrative, on 5/2/1999 Hextall transferred the eastern site (D, E, F, G, H) to MSHA. The transfer clearly envisaged the implementation of planning permission SV/038/96 (20 affordable units). Hextall retained a ransom strip on the southern boundary (shown coloured yellow on the title plan). He imposed a restrictive covenant to benefit his retained land to the

effect that the land subsequently transferred to the Council (D) shall not be used other than as public open space. The terms of that restrictive covenant (pos covenant 2) are *"not to use or cause or permit the public open space [as shown] on the plan to be used other for an open space without the consent in writing of the transferor and no buildings are to be erected on the land without the consent in writing of the transferor"*. This pos covenant 2 can be enforced against MSHA or its successors and SPC. In addition Hextall reserved to the benefit of his retained land (the western site) (C) a right of way along the northern boundary of (what is now) the Council's land for agricultural purposes.

14. 20/3/2000 New Downland, the successor to MSHA transferred the western portion of the eastern site (D) to the Council subject to amongst other things a restrictive covenant not to use the land other than public open space (in essentially the same terms as the covenant in the planning agreement) (pos covenant 3). The land is described as open space and the transfer is subject to three material obligations:
  - *not to use or cause or permit the land to be used other than as public open space etc. in identical terms to the 1999 transfer* (pos covenant 3). The benefited land was that retained by Hextall in the 1999 transfer.
  - *To comply with the s 106 agreement* (pos covenant 1)
  - *To comply with the restrictive covenant in the 1999 transfer i.e. the obligation not to use or cause or permit the land to be used as public open space* (pos covenant 2).
15. That pos covenant 3 can be enforced can be enforced by New Downland's successors against the Council, although the benefit is not mentioned in the titles to parcels F, G, H).

- 3 By way of summary, the Council's land is subject to
  - restrictive covenants (both as to use and development) in favour of MSDC through the s 106 agreement not to use the Council's land (D) other than as public open space (pos covenant 1). The agreement would have to be varied. Having regard to MSDC's attitude in 1999 and its agreement to the development through the local and neighbourhood plan processes one assumes that this would not prove to be a difficulty.
  - pos covenant 2 remains in favour of Hextall through the chain of covenants. This burdens both the Council's land (D) and also the land marked E, F, G, H.) This would require releasing certainly so far as the Council's land is concerned. Hextall has, in addition a right of way over the land at the north of the Council's land (6m in width for agricultural purposes). Hextall has no general right of access over the Council's land for non-agricultural purposes although there are rights to run services. As part of any deal the Council would want to see this right surrendered.
  - There is a covenant (pos covenant 3) in favour of New Downland or its successor Clarion and possibly others through the 2000 transfer restricting the Council's land to public open space. This would require releasing.

- A doubt regarding the benefit of the agricultural use covenant to other land to the north despite the deed of release. Those entitled to enforce such a covenant as may exist would be those owning the houses to the north. As the LT pointed out the purpose of a restrictive covenant is essentially the protection of amenity and should people claim the benefit of the covenant, they would need to show (a) an adverse impact on their amenity and (b) such impact which could not be assuaged by the payment of compensation. Nevertheless, the view taken by the Land Registry is that the deed of release removed the benefit of the agricultural use restrictive covenant.
- 4 The next question is whether the Council's land can be used for other than public open space. The answer is yes. There are five hurdles: (1) the release of the restrictive covenants affecting use by both (a) Hextall protecting C (pos covenant 2) and (b) Clarion protecting E, F, G, H (pos covenant 3) which could well involve the payment of money or other material benefit (2) the obtaining of the necessary planning permission (3) the modification of the s 106 agreement to remove pos covenant 1) (4) the Council would presumably consider the disposal of the land to an appropriate developer and (5) as part of (4) have to navigate the process of disposing of land held as open space.

#### The legal requirements as to transfer

- 1 Section 127 of the Local Government Act 1972 provides that a Parish Council, may dispose of land held by them in any manner they wish, subject to a requirement in section 127(2) to secure the best consideration that they can.
- 2 Where the land to be transferred is open space the Council must comply with the advertisement requirements of s 127(3) and consider any representations made.
- 3 It is Government policy that local authorities and other public bodies should dispose of surplus land wherever possible. Generally, it is expected that land should be sold for the best consideration reasonably obtainable (see s 127(1)).
- 4 Circular 06/03 provides advice on valuations generally and with respect to proposals to dispose of land at an undervalue. Before disposing of any interest in land and especially before disposing of any interest in land for a price which may be less than the best consideration reasonably obtainable, local authorities are strongly advised in all cases to ensure that they obtain a realistic valuation of that interest, following the advice provided in the Technical Appendix to the Circular. This applies even for disposals by means of formal tender, sealed bids or auction, and irrespective of whether the authority considers it necessary to make an application to seek the Secretary of State's specific consent. By following this advice, an authority will be able

to demonstrate that it has adopted a consistent approach to decisions about land disposals by carrying out the same step by step valuation process on each occasion. Supporting documents will provide evidence, should the need arise, that an authority has acted reasonably and with due regard to its fiduciary duty.

- 5 However, it is recognised that there may be circumstances where an authority considers it appropriate to dispose of land at an undervalue. Authorities should clearly not divest themselves of valuable public assets unless they are satisfied that the circumstances warrant such action. For this reason s 127(2) provides that sales at an undervalue require ministerial consent. A General Consent has however been issued (Circular 06/03). The Consent has been issued to give local authorities autonomy to carry out their statutory duties and functions, and to fulfil such other objectives as they consider to be necessary or desirable. However, when disposing of land at an undervalue, authorities must remain aware of the need to fulfil their fiduciary duty in a way which is accountable to local people. The terms of the Consent mean that specific consent is not required for the disposal of any interest in land which the authority considers will help it to secure the promotion or improvement of the economic, social or environmental well-being of its area. It will be for the authority to decide whether these decisions taken comply with any other relevant governing legislation. In all cases, disposal at less than best consideration is subject to the condition that the undervalue does not exceed £2,000,000 (two million pounds). In determining whether or not to dispose of land and especially whether or not to dispose of land for less than the best consideration reasonably obtainable, and whether or not any specific proposal to take such action falls within the terms of the Consent, the authority should ensure that it complies with normal and prudent commercial practices, including obtaining the view of a professionally qualified valuer as to the likely amount of the undervalue.
- 6 The presumption is that the Council is primarily obliged to comply with the requirement to obtain the best consideration reasonably obtainable. Should it consider it appropriate to sell at an undervalue, then it must knowingly do so after proper consideration. A council is entitled to dispose of land in any way reasonable (s 127(1)); this might involve a competition of some kind or a negotiated sale. Justification, transparency and auditability are important.
- 7 Legal advice - It is essential that not only is proper legal advice taken but that the advice which is received is actually considered.
- 8 Decision Making - Decisions must be properly taken. To ensure that any decision is lawful, it has to be shown that the decision was a reasonable one. As indicated above, whether or not the Council were minded to dispose of land at best consideration or at an undervalue it must take appropriate legal and professional valuation advice. A decision will be deemed to be unreasonable if it:
  - fails to take into account relevant factors; and/or
  - takes into account irrelevant facts; and

- is one that no reasonable Council would make.

9 The Council must have regard to its fiduciary duty to its taxpayers.

10 Among relevant considerations will be:

- the Council's statutory powers and duties in connection with the disposal of land
- government guidance connected to the disposal of land
- the constraints on the land (and any that might be imposed on sale), the removal of constraints on the land through the sale process, and the significance of any special purchaser
- the amount, composition and timing of any consideration
- the planning context and what would be regarded as appropriate planning principles applying to the future use or development of the land
- the extent (if at all) the Council should become involved in the development process with attendant risk and expense and/or the passing of risk to any developer/purchaser
- the Council's policy objectives in disposing of the land
- the method of disposal. The Council has considered a range of options for structuring the disposal although the most obvious currently available would be a conditional sale, i.e. a sale conditional upon the grant of planning permission.



## Appendix Two (Spreadsheet)



### St Martin Close East, Handcross

No.	Plot				Unit	Total		Unit	Total	Average
Units	no.	Description	Beds	H/A	GDV	GDV	SQM	Sq Feet	Sq Feet	Price
1	1	EOT	3	No	£ 480,000	£480,000	113	1,219	1,219	£394
1	2	MT	3	No	£ 465,000	£465,000	109	1,173	1,173	£396
1	3	EOT	3	No	£ 485,000	£485,000	114	1,227	1,227	£395
1	4	Apartment	2	No	£ 145,000	£145,000	62	670	670	£216 55%
1	5	Apartment	1	No	£ 115,000	£115,000	50	538	538	£214 55%
1	6	Apartment	1	No	£ 115,000	£115,000	50	538	538	£214 55%
1	7	Apartment	2	No	£ 145,000	£145,000	62	670	670	£216 55%
1	8	Apartment	1	No	£ 115,000	£115,000	50	538	538	£214 55%
1	9	Apartment	1	No	£ 115,000	£115,000	50	538	538	£214 55%
1	10	FOG	2	No	£ 140,000	£140,000	61	653	653	£214 55%
1	11	house	1	No	£ 135,000	£135,000	58	629	629	£215 55%
1	12	house	1	No	£ 135,000	£135,000	58	629	629	£215 55%
1	13	MT	2	No	£ 335,000	£335,000	79	853	853	£393
1	14	MT	2	No	£ 335,000	£335,000	79	853	853	£393
1	15	EOT	3	No	£ 395,000	£395,000	93	1,003	1,003	£394
1	16	Semi	3	No	£ 550,000	£550,000	113	1,219	1,219	£451
1	17	Semi	3	No	£ 465,000	£465,000	109	1,173	1,173	£396
1	18	Semi	2	No	£ 335,000	£335,000	79	853	853	£393
1	25	MT	2	No	£ 335,000	£335,000	79	853	853	£393
1	26	MT	2	No	£ 335,000	£335,000	79	853	853	£393
1	27	EOT	3	No	£ 395,000	£395,000	93	1,003	1,003	£394
1	28	Semi	4	No	£ 585,000	£585,000	137	1,475	1,475	£397
1	29	Semi	4	No	£ 585,000	£585,000	137	1,475	1,475	£397
1	30	DET	4	No	£ 645,000	£645,000	152	1,634	1,634	£395
30	Total O/M GDV -				£10,270,000		28,309		£363	

Signed:



Name:

Marcel Hoad MRICS CREA FNAEA FNFOPP  
Managing Director

Date:

10/11/22

# Land & New Homes

## Experts in our field

We have a dedicated land and new homes team, who have been active in the purchase, sale and development of land for more than 30 years. Developers in West Sussex and across the South East choose Fowlers for its understanding of planning and government processes, benefitting from our coordination skills and 'one-stop-shop' service along the way.

## All clients and projects welcome

Our client base is varied and includes private landowners, niche developers, house builders, corporations, church bodies (including the Diocese of Chichester), and local and district councils.

We are happy to act on projects of varying size, from realising the full potential of a single plot in a residential garden or a 'two-for-one' build opportunity on an existing plot, to the redevelopment of trading or vacant buildings in the commercial greenfield development and agricultural sectors, and sales of large development sites to national housebuilders. We are also heavily involved with design and build opportunities with bespoke projects from ultra modern to restored heritage.

## Tap into a trusted network

As well as in-house land experts that include Marcel Hoad MRICS - a Chartered Surveyor in planning and development - Fowlers enjoys strong working relationships with a network of legal and associated ancillary advisers. Together we form a formidable team that has brokered, developed and sold some remarkable projects.

## Our land and new homes department offers the following services:

- Specialist new homes project management, handling schemes from the land opportunity to final handover
- Bespoke marketing strategies for individual clients
- Advice on open market values and asking prices
- Fully trained on-site sales capability, offering a friendly and professional service
- Extensive marketing support in media, and with Rightmove and OnTheMarket

- Design and production of brochures and floor plans using elevated aerial photography
- Design and build specialists with bespoke opportunities and professional advice

## Do you have a land or new homes proposition?

If you own a property - whether residential or commercial - that may have development potential, we would be delighted to give an appraisal of the prospects. Please contact our land and new homes team to make an appointment on 01903 745844 or email [jamie@fowleronline.co.uk](mailto:jamie@fowleronline.co.uk) or [marcel@fowleronline.co.uk](mailto:marcel@fowleronline.co.uk)









## **APPENDIX 8**

# **COMMUNITY LAND TRUST**

## **1. COMMUNITY LAND TRUST**

- 1.1. Following the 'making' of Slaugham Neighbourhood Plan 2 (SNP2), Slaugham Parish Council (SPC) were approached by Slaugham Parish Community Land Trust (SPCLT).
- 1.2. The SPCLT expressed an interest to develop the site and submitted proposals in July 2020. This outlined four scenarios which related to the type of rental tenure / affordability and how this could affect the capital sum and the quantum of affordable homes provided.
- 1.3. Furthermore it provided information on valuations, rent levels and affordable and set out indicative offers of potential proceeds for SPC. It also confirmed Aster would be interested in purchasing the whole site and delivering a scheme of 100% affordable housing.
- 1.4. Following on from this, a further offer was submitted by the SPCLT in October 2020. This set out assumptions and indicative proceeds for a range of possible mixes of tenure for a 30 housing unit scheme. It set out 5 options and confirmed the affordable homes would be made available for those with a local connection, in perpetuity.
- 1.5. A further revised offer was received in December 2020. This built upon the October indicative offer and provided a note on ground rents.
- 1.6. A meeting was subsequently held on 10 February 2021 with SPC Neighbourhood Planning Committee and SPCLT. The purpose of which was to provide SPCLT with an update and next steps.
- 1.7. A copy of the submissions received and considered as well as the minutes of the above meeting are enclosed at Appendix 9.

## **APPENDIX 9**

# **COMMUNITY LAND TRUST OFFERS**

# Slaugham Parish Community Land Trust (SPCLT)

Registered with the Financial Conduct Authority No. 32329R

## Proposals for a community led housing development at St Martin Close, Handcross – July 2020

### Introduction

This note follows a previous version of such which was shared informally with the then chairman of Slaugham Parish Council (SPC) in September 2017. Since then the site in question has become an allocated site in the now made Neighbourhood Plan and SPCLT has identified a Housing Association partner, Aster Group, who have a strong track record of delivering affordable homes alongside local CLTs on sites such as this.

Following an initial discussion with SPC this note has been produced to demonstrate what could be achieved on this site in terms of local needs affordable housing and a capital receipt for SPC should they be sold to Aster / SPCLT. Four scenarios are outlined which relate to the type of rental tenure / affordability and how this affects this capital sum and the quantum of affordable homes provided: the offer. The note has been prepared by SPCLT with support from Karl Hine of Aster and Tom Warder of Action in rural Sussex (AirS) who manages the Sussex Community Housing Hub (SCHH)<sup>1</sup> and is a CLH advisor.



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<sup>1</sup> SCHH is a service which provides technical advice and support to community led housing groups in Sussex. This service works in partnership with nine local authorities in Sussex including Mid Sussex District Council.

## Context

Community Land Trusts are powerful examples of communities taking control and transforming the future of their local community. They are non-profit, community-based organisations that develop housing, workspace, community facilities and other assets that meet the needs of the community, are owned and controlled by the community and are made available at permanently affordable levels. There are now over 350 Community Land Trusts in England and Wales. (See [www.communitylandtrusts.org.uk](http://www.communitylandtrusts.org.uk))

There is a longstanding commitment to a community led approach to meeting local housing needs in the parish of Slaugham. This originates from the findings of a parish based housing needs survey undertaken in 2012 which identified a substantial need for affordable housing; 43 households with a local connection to the parish. This in turn led to the formation of the Slaugham Parish CLT. The CLT model was supported by both the Parish Council and Neighbourhood Plan steering group and following a series of public meetings and workshops Slaugham Parish Community Land Trust Limited ("SPCLT") was established as a Community Benefit Society CLT in March 2014.

A site appraisal process undertaken by the housing sub group of the Parish Council which – with support from Mid Sussex District Council (MSDC) housing and planning - identified St Martin Close as the most appropriate site on which to provide some local needs affordable housing. The original Slaugham Neighbourhood Plan (NP) sought to incorporate the site as a community led scheme but this Plan was - for various reasons - not successful.

In considering the development of this site SPCLT are fully aware of the Parish Council's desire to realise a sufficient capital receipt in order to fund the provision of a new Village Hall for the parish, a much needed facility. They also have a responsibility to achieve best value for the site, which is understood, although this can of course be measured both in terms of monetary and social value.

## Aster Group and Sussex Hub

Aster have a strong track record of working alongside Local CLTs to provide local needs homes having successfully delivered 12 CLT partnership schemes to date. They are committed to community led housing with Karl Hine in post for 8 years as a dedicated CLH Development Manager who now also has two other Project Managers engaged in this work to support CLT projects. They are now expanding into Sussex and working with the Sussex Community Housing Hub (AirS) on several CLT projects in the area.

The Sussex Hub now consists of 4 CLH Advisors including Tom Warder who manages the team. They are currently supporting 25 CLT groups and projects across East and West Sussex.

## Delivery options

The following tables indicate the valuations (Table 1) and subsequent modelling that has been undertaken to demonstrate affordability (Table 2) and the offers (Table 3)

These are all based these on an overall scheme of 30 units each modelled at 30% and 50% affordable housing at both social and affordable rent levels. 30% is the minimum - policy compliant – option and 50% provide more affordable homes.

**Table1 - Valuations**

Type	Beds	Person	sqm	Private MV July 20	S/O MV July 20	Social / Aff MV July 20	MRV (pw/pcm) July 2020	80% MRV July 20	LHA rate Jan 20*
Mais	1	2	50	£250,000	£240,000	£230,000	196 / 850	£157	£163.33
Semi	2	4	79	£395,000	£380,000	£365,000	277 / 1200	£222	£218.63
Semi	3	5	93	£465,000	£445,000	£430,000	346 / 1500	£277	£200.32

*Note: MV = Market Value. MRV = Rental – per week and per calendar month. \* LHA is the Local Housing Allowance which is paid (by way of housing benefit) to tenants. Please note that the Affordable Rent offers above are based on being capped at the much lower pre-Covid Jan 2020 LHA levels. We consider the current July rates to be a short term inflated rate. S/O MV = Market value of units built to a shared ownership specification. Social/Aff MV = Market value of units built to a Social/ Affordable housing specification.*

We have provided a fairly standard mix of unit sizes which can of course be amended.

For the 30% affordable offer (10 units) that mix consists of 2 x 1b2p maisonettes, 6 x 2b4p houses and 2 x 3b5p houses.

For the 50% affordable offer (15 units) that mix consists of 4 x 1b2p maisonettes, 8 x 2b4p house and 3 x 3b5p houses.

Rent levels including service charges are as follows:

**Table 2 – Rent levels and affordability**

<b>Unit type</b>	<b>Tenure</b>	<b>Rent per week including SC</b>
1b2p maisonette	Social Rent	£108.24
2b4p house	Social Rent	£133.98
3b5p house	Social Rent	£152.53
1b2p maisonette	Affordable Rent	£156.38
2b4p house	Affordable Rent	£200.32
3b5p house	Affordable Rent	£232.94

This results in the following indicative offers of potential proceeds for the Parish Council :

**Table 3 – Financial offer according to amount of affordable homes and tenure**

<b>No. affordable units</b>	<b>Tenure</b>	<b>Indicative offer level</b>
10	Social Rent	£1,027,000
15	Social Rent	£1,517,000
10	Affordable Rent	£1,860,000
15	Affordable Rent	£2,750,000

To be clear these offers denote what Aster would pay to a developer for the affordable units being built on the site if Aster was not the developer of the whole site. The developer would factor this amount into the total land payment that they could make to Slaughtam Parish Council. That total payment would of course be a much higher figure.



## **Summary**

These offers relate to the acquisition of the affordable units from a developer upon practical completion and would of course be aligned with whatever SPC would receive for the market component of the scheme. They suggest that a healthy capital receipt could be generated from any of these options and ensure that quality affordable homes would be made available for local people in perpetuity.

SPCLT would prefer the option of 50% social rented homes to be provided in order to maximise the provision of affordable homes and to minimise the rent levels and achieve genuine affordability. Alternatively SPCLT would also favour the whole site option described below.

These offers are based on achieving national space standards and quality housing delivered by a trusted Housing Association and CLT development partner who understand what community led housing is all about and the requirements of SPCLT to retain the freehold and receive a ground rent for the homes, which would be made available for those with a local connection to Slaughtam Parish in perpetuity.

Should SPC or SPCLT wish to explore an alternative design using modern methods of construction to achieve high environmental performance for example, this is possible but would inevitably have an implication on the offers that could be made.

It is expected that - should SPC be amenable to one of these offers from Aster / SPCLT then there would not be the need for the scheme to go to market in the usual way. Aster is confident that their offers are very competitive and would be willing to compete in the market if need be but it is hoped that this process is not deemed necessary in light of the clear benefits of working alongside the CLT and their chosen partner. Namely Aster's commitment to CLH and understanding of working in partnership with local CLTs and the communities they serve.

## **Whole site option**

Aster would be interested in purchasing the whole site and delivering the whole scheme should this be of interest to SPC and SPCLT. Initial discussion with colleagues suggest that this be done via an 100% affordable scheme on the site with circa 20 shared ownership homes (for which Aster can also receive grant) and 10 social rented homes.

This would be the subject of an additional appraisal exercise and subsequent whole site offer. It is worth noting that Aster has been successful in securing sites across the south and south east in competition with the national house builders so SPC could expect a similar capital return for a 100% affordable scheme delivered by Aster as they would expect for a mixed tenure scheme delivered by a house builder.

# Slaugham Parish Community Land Trust (SPCLT)

Registered with the Financial Conduct Authority No. 32329R

## Indicative offers for a community led housing development at St Martin Close, Handcross – October 2020

### Introduction

Slaugham Parish Community Land Trust in conjunction with Aster has calculated a range of indicative proceeds for the Parish Council arising from the development of 30 housing units at St Martin Close, Handcross.

Attached is a set of assumptions on which the calculations have been based and the indicative proceeds for a range of possible mixes of tenure for the 30 housing units. These mixes are intended to cover a wide range of options, but further calculations could be made if the Parish Council wishes to explore alternatives.

SPCLT appreciates that it will be for the Parish Council to decide what combination of tenures best meets the needs of the Parish and is consistent with the requirements of Circular 06/03: Local Government Act 1972.

### Assumptions and Indicative Proceeds

The purpose of this section is to set out the basis and key assumptions used for the purpose of providing indicative proceeds to Slaugham Parish Council for a range of possible development options.

- The development is assumed to comprise 30 units
- The calculation of indicative proceeds has been arrived at based on Aster's experience in similar developments and in particular:
  - Similar standards of space and construction
  - The St Martin Close site does not give rise to any unusual development issues
- The units in the development will be as follows:

Type	Beds	Person	sqm	Open MV July 20	MV Shared Ownership
Mais	1	2	50	n/a	£220,000
Semi	2	4	79	£370,000	£355,000
Semi	3	5	93	£440,000	£420,000

- The rents obtainable will be as follows on the basis that Social rents are around 60% of market and affordable rents are 80% of market:

Unit type	Tenure	Rent per week including Service charge
1b2p maisonette	Social Rent	£101.24
2b4p house	Social Rent	£132.87
3b5p house	Social Rent	£147.55
1b2p maisonette	Affordable Rent	£156.38
2b4p house	Affordable Rent	£197.12
3b5p house	Affordable Rent	£229.22

- Shared Ownership units will be sold on the basis of a 40% share and rent of 2.75% on the remainder
- The open market example does not take account of any S106 payments. Any such payments would need to be deducted from the indicative proceeds.
- As a Registered Provider, grant funding is available to Aster for additional affordable homes in excess of the 9 which is the minimum required to be policy compliant
- The indicative proceeds are based on present levels of grant funding for the rental and shared ownership units which vary from tenure to tenure. If the levels of grant funding change it would affect the indicative proceeds

## The Options

1. The Open market example. The development would comprise 21 open market units and 9 affordable rent to comply with MSDC policy.

The affordable/ social rented units would comprise:

2 x 1 bed maisonettes  
5 x 2 bed Semi detached  
2 x 3 bed Semi detached

The Open Market units would comprise:

10 x 2 bed Semi detached  
11 x 3 bed Semi detached

This mix would give rise to indicative proceeds to Slaugham Parish Council of:

- (a) £2,200,000 for the development with Affordable rented units, and
- (b) £1,700,000 for a development with Social rented units

2. SPCLT's proposed mix of units and tenure comprising:

Social rented:

4 x 1 bed maisonettes  
8 x 2 bed Semi detached  
3 x 3 bed Semi detached

Shared ownership:

8 x 2 bed Semi detached  
7 x 3 bed Semi-detached]

This mix would give rise to indicative proceeds to Slaugham Parish Council of  
£1,650,000

3. A mix of 2/3<sup>rd</sup> rental units and 1/3<sup>rd</sup> shared ownership

Social rented:

4 x 1 bed maisonettes  
8 x 2 bed Semi detached  
7 x 3 bed Semi detached

Shared ownership:

5 x 2 bed Semi detached  
5 x 3 bed Semi detached

This mix would give rise to indicative proceeds to Slaugham Parish Council of  
£750,000

4. A mix of 1/3<sup>rd</sup> rental units and 2/3<sup>rd</sup> shared ownership

Social rented:

2 x 1 bed maisonettes  
5 x 2 bed Semi detached  
3 x 3 bed Semi detached

Shared ownership:

10 x 2 bed Semi detached  
10 x 3 bed Semi detached

This mix would give rise to indicative proceeds to Slaugham Parish Council of  
£2,400,000

## Commentary

SPCLT considered that it might be helpful to offer some comments on the five options as follows:

### 1.(a) – 70% Open Market units and 30% Affordable rented units.

The indicative proceeds to Slaugham Parish Council (SPC) are the second highest of the examples given at £2.2 million. However, this mix is little different from that provided by a standard developer, so it does not align with the aspirations of the Neighbourhood Plan (NHP). The proceeds will also be reduced by any S106 contribution required by MSDC as this has not been allowed for in the calculations.

### 1.(b) – 70% Open Market units and 30% Social rented units.

Again, the high proportion of Open Market mitigates against this option for the reasons set out above. It is notable that the move from Affordable rented to Social rented has a major impact on the indicative proceeds reducing it by £0.5m to £1.7 million.

### 2. SPCLT proposed mix of 50% shared ownership and 50% social rented.

This mix has been formulated to fulfil the Slaugham Parish NHP objective of –“providing a suitable mix of dwelling type and size to meet the needs of current and future households”. It encompasses affordable housing in perpetuity together with social rented units at very reasonable rents. The indicative proceeds to SPC of £1.65 million is seen by SPCLT as potentially offering best value when economic and social wellbeing considerations are taken into account.

### 3. A mix of 2/3rds. social rented units and 1/3<sup>rd</sup>. shared ownership.

This example is included in order to demonstrate the full range of options available but must be discounted as the indicative proceeds to SPC at £0.75 million are clearly insufficient to finance other important projects in the Parish.

### 4. A mix of 1/3<sup>rd</sup>. social rented units and 2/3rds. Shared ownership.

Due to more generous grants being available for Shared Ownership and the mix of housing tending towards the larger units, this option gives the highest indicative proceeds to SPC at £2.4 million. Whilst this option is very favourable financially, the provision of 1 bedroom maisonettes which are likely to be attractive to retired couples or those living alone is rather limited, so SPCLT is of the opinion that the option does not fully reflect the aims in the NHP referred to in option 2.

Furthermore the weighting in favour of Shared ownership vs rented accommodation is at odds with standard MSDC policy on tenure ratios which are usually the other way around. MSDC may therefore take issue with this approach, albeit in all the options except 1. The amount of affordable housing being provided is in excess of the S106 policy requirement so additional.

In all options – if delivered via SPCLT / Aster - the affordable homes would be made available for those with a local connection, in perpetuity.

21/10/2020

# SLAUGHAM PARISH COUNCIL

Villages of Warninglid, Pease Pottage, Slaugham & Handcross  
2 Coltstaple Cottages, Coltstaple Lane, Horsham, RH13 9BB

Email [clerk@slaughampc.co.uk](mailto:clerk@slaughampc.co.uk)  
Website: <http://www.slaughampc.co.uk>  
Tel: 01403 733881



## SPCNHP / SPCLT Update Virtual Meeting 10<sup>th</sup> February 2021

### Present:

Slaugham Parish Council Neighbourhood Planning Committee (SPCNHP)  
Cllr's Eric Prescott, Lorette Holborn, Lesley Read, Sally Mclean (Clerk RFO)

Slaugham Community Land Trust (SPCLT)  
Tim Arnold, Ed Hadfield, Maria Hughes, John Welch, Martin Lynne, ARS Tom Warder

**Apologies** Cllr's Julia Elliott, Bob St George

**Purpose:** This meeting was arranged to provide an update on the work that had been completed since our last meeting and next steps.

Cllr Prescott advised that the Parish Council are required to comply with government legislation and are duty bound to complete these. Parish Councils have a clear duty to maximise value from their assets whilst trying to also deliver the vision for the community –.

**Parish Council Land Disposal** Local authorities are given powers under the 1972 Act to dispose of land in any manner they wish, including sale of their freehold interest, granting a lease or assigning any unexpired term on a lease, and the granting of easements. The only constraint is that a disposal must be for the best consideration reasonably obtainable unless the Secretary of State consents to the disposal.

We have to be mindful that the Council could be challenged if the regulations are not complied with so due diligence must followed and evidenced throughout – The CLT cannot be challenged for not tendering this appropriately.

The legislation is clear that *It remains the responsibility of each authority to seek their own legal or other professional advice as appropriate.*

- *The Land in the first instant should be valued:*
- *The valuation for the purposes of determining whether the proposed land disposal under the terms if the LCG Act 1972*
- *Application for an unrestricted and restricted valuation technical report - if required TBD*

We are exploring as to whether we require more than one valuation to conform with the regulations.

### What we have researched:

In order to keep the momentum SCPNHP have evaluated what is desired when appointing a surveyor that will help keep costs down, to time and provide independent advice that will help us explore options. A prerequisite is that they are conversant with the legislation that govern Councils and the aspirations set out in the neighbourhood plan.

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## **What's Next**

The Clerk is reviewing the parameters and budget with the Councils Finance & Policy Committee. This will enable us to keep the impetus of the project where possible whilst complying with our financial regulations also.

We believe that this will enable the SPCNHP to better review of the SPCLT proposal/s collate the required evidence that they have invested in options and getting best value all round for the project whilst meeting the guidance.

Tom asked that Aster be considered when reviewing other potential options - The Clerk asked that Tom to provide a brief on the opportunities that have been reviewed so that we are able to incorporate those during considerations or valuation stages whichever is deemed appropriate by this group.

The Committee will schedule an update with Millwood Homes in order to ascertain their plans with the Site Allocations Development Plan Document (DPD) now in examination. We have been advised that as part of the examination process the Planning Inspector will hold public hearings this Spring. With further consultation to follow, should it pass the required statutory conditions it will be adopted this Autumn.

## **Timescales.**

It is envisaged that the Finance Committee review the criteria and spend to value the land and seek independent advice.

This will be ratified by the Council on the 25<sup>th</sup> February 2021

The criteria for the surveyor and independent advice will continue until that meeting with a view to appointing them at that meeting or shortly after

We believe it will be a week to 10 days for them to provide us with valuation/s considering the parameters, MSDC policy CLT proposal and other options in perpetuity

END

# Slaugham Parish Community Land Trust (SPCLT)

Registered with the Financial Conduct Authority No. 32329R

## Indicative offers for a community led housing development at St Martin Close, Handcross – October 2020

### Introduction

Slaugham Parish Community Land Trust in conjunction with Aster has calculated a range of indicative proceeds for the Parish Council arising from the development of 30 housing units at St Martin Close, Handcross.

Attached is a set of assumptions on which the calculations have been based and the indicative proceeds for a range of possible mixes of tenure for the 30 housing units. These mixes are intended to cover a wide range of options, but further calculations could be made if the Parish Council wishes to explore alternatives.

SPCLT appreciates that it will be for the Parish Council to decide what combination of tenures best meets the needs of the Parish and is consistent with the requirements of Circular 06/03: Local Government Act 1972.

### Assumptions and Indicative Proceeds

The purpose of this section is to set out the basis and key assumptions used for the purpose of providing indicative proceeds to Slaugham Parish Council for a range of possible development options.

- The development is assumed to comprise 30 units
- The calculation of indicative proceeds has been arrived at based on Aster's experience in similar developments and in particular:
  - Similar standards of space and construction
  - The St Martin Close site does not give rise to any unusual development issues
- The units in the development will be as follows:

Type	Beds	Person	sqm	Open MV July 20	MV Shared Ownership
Mais	1	2	50	n/a	£220,000
Semi	2	4	79	£370,000	£355,000
Semi	3	5	93	£440,000	£420,000



- The rents obtainable will be as follows on the basis that Social rents are around 60% of market and affordable rents are 80% of market:

Unit type	Tenure	Rent per week including Service charge
1b2p maisonette	Social Rent	£101.24
2b4p house	Social Rent	£132.87
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1b2p maisonette	Affordable Rent	£156.38
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- Shared Ownership units will be sold on the basis of a 40% share and rent of 2.75% on the remainder
- The open market example does not take account of any S106 payments. Any such payments would need to be deducted from the indicative proceeds.
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## The Options

1. The Open market example. The development would comprise 21 open market units and 9 affordable rent to comply with MSDC policy.

The affordable/ social rented units would comprise:

2 x 1 bed maisonettes  
 5 x 2 bed Semi detached  
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The Open Market units would comprise:

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This mix would give rise to indicative proceeds to Slaugham Parish Council of:

- (a) £2,200,000 for the development with Affordable rented units, and
- (b) £1,700,000 for a development with Social rented units

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This mix would give rise to indicative proceeds to Slaugham Parish Council of  
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## Ground Rents

Under all options Aster would pay a ground rent to SCLT of £4 per home per week. This ground rent would be index linked to CPI and the CLT would use this to cover their running costs and for the benefit of the wider community. The individual residents of the rented and shared ownership properties will not be affected by this and will not pay a ground rent

## Commentary

SPCLT considered that it might be helpful to offer some comments on the five options as follows:

1.(a) – 70% Open Market units and 30% Affordable rented units.

The indicative proceeds to Slaugham Parish Council (SPC) are the second highest of the examples given at £2.2 million. However, this mix is little different from that provided by a standard developer, so it does not align with the aspirations of the Neighbourhood Plan (NHP). The proceeds will also be reduced by any S106 contribution required by MSDC as this has not been allowed for in the calculations.

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Again, the high proportion of Open Market mitigates against this option for the reasons set out above. It is notable that the move from Affordable rented to Social rented has a major impact on the indicative proceeds reducing it by £0.5m to £1.7 million.

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Furthermore the weighting in favour of Shared ownership vs rented accommodation is at odds with standard MSDC policy on tenure ratios which are usually the other way around. MSDC may therefore take issue with this approach, albeit in all the options except 1. The amount of affordable housing being provided is in excess of the S106 policy requirement so additional.

In all options – if delivered via SPCLT / Aster - the affordable homes would be made available for those with a local connection, in perpetuity.

7/12/2020

## **St Martin Close independent valuations and next steps**

### **Note to Slaugham Parish Council - February 2021**

In considering the proposals from Slaugham Parish Community Land Trust Limited (SPCLT) and Aster Housing Association to develop land at St Martin Close East for local needs affordable housing, independent valuations are required by the landowner, Slaugham Parish Council (SPC), in order to satisfy the obligation to achieve the best consideration reasonably obtainable.

The Parish Council is allowed to dispose of its interest in the land at a lower price than the Unrestricted Open Market Value if the reduction in price achieves the promotion of economic well-being, social well-being and or environmental well-being. Furthermore, the specific approval of the Secretary of State is not required for such a sale as any reduction is most unlikely to exceed £2m.

In seeking a valuation SPC wishes to have an independent point of reference on which to benchmark the value of a scheme on this site. It is assumed that this valuation will be based on a standard – policy compliant – mix of market and affordable homes. This should equate to Option 1 as set out in the SPCLT indicative offers document of December 2020. It is also assumed that SPC will not be seeking valuations on any other options with a different mix of market and affordable homes (of various tenures) nor with the added component of a CLT being involved.

It is however possible to undertake a valuation on this basis, which models different scenarios and on costs (including CLT associated costs) should SPC want this level of detail. This would require the valuer to fully understand these on-costs in order to accurately factor them in to the appraisal.

#### **Next steps**

Once this standard valuation has been obtained (assuming policy compliance only), SPC will have a point of reference upon which to base further decision making about the site. To help inform this decision making SPCLT would like to re-affirm the following key points;

There is considerable added value across all of the options presented by SPCLT / Aster in terms of;

- competitive capital receipt for SPC (including various options as presented);
- ability to guarantee affordable housing is made available to local people in perpetuity;
- genuine affordability via social rents;
- Long term re-investment into the community via ground rents to SPCLT

The other key point is that all of the options presented by SPCLT / Aster are discounted by 8%-10% from a standard market offer because of the associated costs of the CLT route. This relates primarily to the ground rents paid over many years, which are nonetheless available for re-investment into the community by SPCLT ( CLTs are obligated to re-invest into other community benefit projects )

In view of this, it is requested that if any further market testing - should this be required - is undertaken then this be taken into account. The question will be: does SPC feel that the loss of 8% - 10% in monetary value is sufficiently off set by the other additional long term community benefits?

Assuming SPC recognises the added value that the CLT / Housing Association partnership route brings, then any invitations to tender for the scheme (should this transpire) should be based on their being a CLT involved and a commitment to this and the associated costs (8% - 10%) made clear.

Tom Warder – Community Led Housing Advisor (Sussex Housing Hub / AirS)