

Proposed disposal of Highfield Road Car park for Affordable Housing	
Executive Summary	This report sets out a proposal to dispose of the NNDC owned car park at Highfield Road, Fakenham to Flagship Housing for the development of affordable housing.
Options considered	<ul style="list-style-type: none"> - Retain site as a car park - Exchange site for Fakenham Town Council owned land elsewhere in Fakenham
Consultation(s)	Fakenham Town Council District Councillors for Lancaster South & North Portfolio Holder for Housing and Peoples' Services Estates and Property Services
Recommendations	<p>It is recommended that Cabinet:</p> <ul style="list-style-type: none"> - Agree that Highfield Road is surplus to requirements - That NNDC enter into an option agreement with Flagship Housing (subject to Planning Permission) for sale of the Highfield Road car park to be developed for affordable housing. - That demolition of the existing toilet block on the site is undertaken as soon as is possible
Reasons for recommendations	The development of the Highfield Car park offers the opportunity to make better use of an under-used car park, to deliver badly needed affordable homes, to generate a capital receipt and to reduce the current revenue liabilities at the site.
Background papers	None

Wards affected	Lancaster South
Cabinet member(s)	Cllr Fredericks, Portfolio Holder for Housing and Peoples' Services
Contact Officer	Nicky Debbage, Housing Strategy & Delivery Manager, nicky.debbage@north-norfolk.gov.uk

Links to key documents:	
Corporate Plan:	Meeting our Housing Need.
Medium Term Financial Strategy (MTFS)	New affordable homes will help the council tackle housing need and potentially reduce the cost of temporary accommodation for homeless households the Council has a duty to accommodate
Council Policies & Strategies	NNDC Housing Strategy 2021-2025

Corporate Governance:	
Is this a key decision	Yes
Has the public interest test been applied	Appendix A is exempt as it contains commercial information that may prejudice future asset sales
Details of any previous decision(s) on this matter	NA

1. Purpose of the report

- 1.1 This report sets out a proposal to dispose of the NNDC owned car park at Highfield Road, Fakenham to Flagship Housing for the development of affordable housing.

2. Introduction & Background

- 2.1 Highfield Road car park is owned by NNDC and has been considered for development previously. The site was originally part of the package of sites to be sold to Broadland Housing, but was withdrawn due to opposition to development – leaving the five exception sites to be developed (Great Ryburgh, Binham, Erpingham, Edgefield & Trunch – now all completed). Proposals for development of the site from a private developer for older persons housing have also been considered previously.
- 2.2 There is a residents parking area to the East of the car park, for residents living on Church Lane. This piece of land is not included in any proposals and would be retained as residents parking. It is only the public car park area that is being considered for disposal.
- 2.3 The car park is not well used. The review of car parks in 2020 showed that Highfield Road was the least well used car park in the District. The table below shows the income for Highfield and other Fakenham car parks 2017 – 2020.

Town	Car park	Income 2017-20	% of total car park income
Fakenham	Bridge Street	£233,116	2.91%
Fakenham	Community Centre	£30,906	0.39%
Fakenham	Highfield Road	£6,730	0.08%
Fakenham	Queens Road	£123,094	1.54%
Fakenham	Limes	£41,633	0.52%

- 2.4 The income shown above does not include season ticket holders and for some of this period part of the car park was used as a Covid testing station or was undergoing resurfacing works. However, the lack of use is backed up by more recent information - income from Highfield car park for 2022/23 was only £3,862. Additionally, over the last 18-months officers have carried out monitoring, with 23 visits on different days and times, to see how many cars were in the car park. An average of eight cars were parked there, but often

only four and at most 17 on a Thursday evening – the capacity of the car park is 75 spaces.

- 2.5 NNDC owns four other car parks with a total capacity of 371 spaces in Fakenham (Queen's Road – which includes electric vehicle charging points, Bridge Street, The Limes – which includes two coach bays and The Community Centre). Additionally, there are several private car parks near the centre of town (e.g. Miller's Walk, Tesco, Aldi). Whilst these car parks are all more used than the Highfield Road car park, there is capacity for additional parking across these sites and Fakenham remains the best-served town for car parking in the District.
- 2.5 There is a small public toilet block on the site, which is dated and in need of upgrading if it were to be retained. The 2020 Public Convenience Review stated the condition of the toilets were poor and the 2021 Strategy stated that the Council should aim for one high standard public provision within the Town. The Council has since delivered new facilities at Queen's Road. Highfield Road is outside of the town centre and away from any public spaces so the loss of the provision would not be deemed detrimental.

3. Proposals and Options

- 3.1 The two main developing Registered Providers in North Norfolk (Flagship and Broadland) were both asked if they would be interested in Highfield Road as a development site. Broadland were not, but Flagship were and provided an initial site layout for developing the site. This proposal shows that 12-16 affordable homes, a mix of 1, 2 and 3-bed homes, could be built – the proposal retains the area of the car park that is currently used for residents parking. Flagship have also indicated they would be able to provide a capital receipt for the site, estimated at £300k.
- 3.2 Housing need across the District, including Fakenham is acutely high. Figures on housing need were shared with the Town Council at their meeting in October. These showed that of the 2,516 households on the Housing List, 1,115 said they wanted to live in Fakenham and 260 had a local connection to Fakenham. Of the 1,115 households that wanted to live in Fakenham, 219 were in most urgent housing needs bands, including 82 households who were homeless or threatened with homelessness. Only 37 affordable homes were let in Fakenham in the previous year.
- 3.3 Whilst the Town Council recognise the acute need for affordable housing, they believe that retention of Highfield Road as a car park is important to the future economic prosperity of the town. The Town Council therefore asked officers to consider a possible land swap, with the Town Council taking ownership of the Highfield Road car park and NNDC taking land at the Trap Lane sports facility to be used for affordable housing.
- 3.4 To explore this option, the Council's Enabling Officer and Flagship were asked to consider Trap Lane as an alternative site for an affordable housing development. At this point the status of the Levelling Up Round 3 bid to enhance sports facilities at Trap Lane was unknown, but we highlighted that any plans would need to consider future use of the site. The Council's Enabling Officer highlighted concerns regarding pedestrian access and Highways requirements for the site. Flagship echoed these concerns

identifying that development would require significant off-site Highway improvements and felt that the site was slightly detached from the main town and that Highfield Road offered a more secure route to planning permission.

- 3.5 The success of the Levelling Up bid for a swimming pool and improved sports facilities at Trap Lane make the development of any affordable housing on the site very challenging and would further complicate delivery of an important facility for the town. It is therefore recommended that the land swap proposal is rejected.
- 3.6 As stated above, the residents parking area to the East of the car park is not included in the proposed disposal. It is highly unlikely this area could be incorporated into any future development due to likely challenges from residents regarding prescriptive rights. If the remainder of the car park is disposed of for affordable housing, options will be explored for the future of this area, including offering the land to Fakenham Town Council to retain for parking, gifting the land to residents, or normalising arrangements for the residents' parking.
- 3.7 It is also recommended that demolition of the existing toilet block on Highfield is undertaken as soon as possible. This will help prepare the site for development, help reduce the costs of servicing and maintaining the toilet facilities and help avoid the site becoming a target for more anti-social behaviour.

4. Corporate Priorities

The development of the Highfield Road car park has the potential to deliver new affordable homes helping the council deliver its key corporate priority – Meeting our Housing Need.

5. Financial and Resource Implications

- 5.1 This sale of Highfield Road car park has the potential to generate a capital receipt, whereas retention of the car park is likely to raise very limited revenue income whilst leaving the Council with future maintenance liability for both the car park and the toilet block on the site.
- 5.2 The current asset valuation of Highfield Road for account purposes is £21k, which is based on the income generated from the car park. To ensure best value an independent valuation of the site has been obtained – both of the unfettered open market value of the site and the value if use were restricted to affordable housing. The Council can sell an asset at less than open market value, if the Council formally considers the social, environmental and economic wellbeing to doing so are a contributing factor, and there is a difference of no greater than £2m in value.
- 5.3 The social value of affordable housing can be clearly demonstrated, especially with current acute levels of housing need. The independent valuation information is contained in Appendix A and demonstrates that the difference between open market value and the value of the site for affordable housing is not greater than £2m.

6. Legal Implications

The Council can offer the site for sale to Flagship subject to planning consent with an option agreement allowing them time to gain planning consent. Legal support will be required to provide the option agreement and identify any known constraints to sale for development of the site.

7. Risks

There are reputational risks to taking forward development of the car park with potential local and Town Council opposition.

8. Net ZeroTarget

No direct implications

9. Equality, Diversity & Inclusion

No direct implications

10. Community Safety issues

The Highfield Road car park toilet block is currently subject to some incidents of anti-social behavior. Removal of the bloc and development of the site will help to manage this.

11. Conclusion and Recommendations

The development of the Highfield Car park offers the opportunity to deliver badly needed affordable homes, to generate a considerable capital receipt and to reduce revenue liabilities at the site. It is therefore recommended that Cabinet:

- Agree that Highfield Road car park is surplus to requirements.
- Agree that NNDC enter into an option agreement with Flagship Housing for sale of the car park, subject to Planning Permission, to be developed for affordable housing.
- Agree that demolition of the existing toilet block on the site is undertaken as soon as is possible.

Appendix A – Independent Valuation

Not yet available

