



## SERVICED PLOTS DEVELOPMENT STRATEGY

Report by Director for Sustainable Communities

**PURPOSE OF REPORT** To advise Members of recent progress with current Serviced Plots and on proposals for the future use of this initiative.

### COMPETENCE

- 1.1 There are no legal, financial or other constraints to these recommendations being implemented.
- 1.2 Funding to provide serviced plots has in the past been obtained from Private Sector Housing Grant monies. The receipts from sales of serviced plots are ring-fenced to be used to fund further provision.
- 1.3 The provision of serviced plots aimed at the first time buyer market is one of the target objectives within the Comhairle's Local Housing Strategy.

### SUMMARY

- 2.1 The Comhairle has recently marketed serviced plots at Marybank in Stornoway (5 plots) and Leurbost (6 plots). At present all the Marybank plots and one at Leurbost are being sold to first time buyers at District Valuers valuation. The remaining sites at Leurbost are being re advertised for sale.
- 2.2 The income from sales will be used to pay for site development works to a further site to allow further serviced plots to be progressed this financial year.

### RECOMMENDATIONS

- 3.1 **It is recommended that the Comhairle:**
  - a) **notes progress on the sales of serviced plots at Marybank and Leurbost,**
  - b) **approves the development of the site at Labost Lane, subject to feasibility, and,**
  - c) **notes the situation regarding the use of Private Sector Housing Grant to fund future Serviced Plots.**

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## **BACKGROUND**

- 4.1 The Comhairle has provided several serviced plot developments in Stornoway in the past. These sites have provided a useful and cost effective way for first time buyers to get on to the property ladder, whilst generating a reusable receipt.
- 4.2 The Comhairle's Local Housing Strategy included the aim of providing serviced plots for sale to first time buyers in rural areas as a key objective.
- 4.3 During 2004 a number of sites across the islands were assessed for their suitability for use as serviced plots. Each site was scored against a range of criteria as to their suitability and ranked in order of potential development. The two highest scoring sites, one at Marybank and one in Leurbost, were developed throughout 2006.
- 4.4 The 5 plots at Marybank and the 6 plots at Leurbost were advertised for sale in January 2007 and a total of 6 plots (five at Marybank and one at Leurbost) are currently in the process of being sold to first time buyers.
- 4.5 The eligibility criteria for applicants (chiefly first time buyers and on the waiting list for social rented accommodation) has previously been approved by the Comhairle and has to date been found suitable.

## **CURRENT PROGRESS ON SALES OF PLOTS**

- 5.1 The Comhairle's Legal Services Section is currently handling the sales of the serviced plots at Allt na Broige, Marybank and Kennedy View, Leurbost.
- 5.2 Income from these sales should be received in the current financial year and can be used to contribute towards the development of a further serviced site.

## **PROVISION OF FURTHER SERVICED SITES**

- 6.1 It was the Comhairle's intention to have a rolling programme of serviced plot development, where the receipts obtained from sales are used to investigate and develop further serviced plot sites. However, a significant proportion of the funding for Serviced Plots comes from Private Sector Housing Grant (currently estimated at £100k in 2007/08). New legislation in the form of the 2006 Housing Act will see a new (as yet unclear) approach to the use of PSHG, which leaves some uncertainty as to the availability of PSHG for this type of project. Therefore, beyond 2007/08, there is no guarantee that sufficient funding will be available to continue this programme.
- 6.2 However, funding is available for this current financial year, (from PSHG and receipts) and one further site could potentially be developed. An area of land owned by the Comhairle at Labost Lane on the outskirts of Stornoway has been identified as suitable for housing development and scored highly on the previous assessment of sites suitable for serviced plots. The site in question is also allocated for the provision of serviced plots in the Comhairle's Finalised Western Isles Local Plan.
- 6.3 A feasibility study will need to be carried out on the Labost Lane site to confirm if the site can be developed and serviced at reasonable expense. As the site is a coastal one, a Flood Risk Assessment will also have to be included in the Feasibility Study.
- 6.4 If the feasibility study concludes that the Labost Lane site is suitable, work can commence on its development later in this financial year.

## **CONCLUSION**

- 7.1 The provision of serviced plots has helped increase the housing options in the Western Isles and the Comhairle intends to develop a further site during 2007/08. However, beyond this financial year there is uncertainty over the use of Private Sector Housing Grant to contribute towards such developments. Once more information on the new 2006 Housing Act is known, the use of Serviced Plots will be re-examined.