

EXECUTIVE BOARD DECISION



REPORT OF: Executive Member for Regeneration
Executive Member for Resources

LEAD OFFICERS: Director of Growth and Development

DATE: 13th October 2017

PORTFOLIO/S AFFECTED: Regeneration Resources

WARD/S AFFECTED: Roe Lee

KEY DECISION: YES NO

SUBJECT: Roe Lee Land Disposal

1. EXECUTIVE SUMMARY

1.1 Executive approval was granted in January 2017 to prepare and offer for sale, the Council owned Roe Lee site for housing development. An options appraisal identified informal tender as the preferred route for disposal. An informal tender exercise was conducted during June and July to dispose of the site.

1.2 This report outlines the outcome of the Informal tender for the Council owned Roe Lee site and seeks approval to appoint the recommended preferred bidder for the site.

2. RECOMMENDATIONS

That the Executive Board:

2.1 Notes the outcome of the informal tender exercise.

2.2 Approves the appointment of the preferred bidder being 'Tender number 1'

2.3 Grants permission for Council officers to negotiate Heads of Terms to finalise the terms of the disposal

2.4 Delegates authority to conclude negotiations, including terms of any land sale and contracts to the Director of Growth and Development and Director of Finance and IT in consultation with the Executive Members for Resources and Regeneration to approve the final heads of terms.

2.5 Authorises the Director of HR, Legal and Corporate Services to complete the necessary legal formalities.

3. BACKGROUND

3.1 During January 2017 executive approval was granted to carry out technical surveys on the Roe Lee site (Appendix A) to prepare it to be offered for sale for housing development via an informal tender.

Approval was also granted to initiate the sale of the site via informal tender and to appoint GL Hearn (a Capita partner company) as the sales agent.

3.2 A 'Data Room' was set up on the Council's website which contained all tender information along with a host of technical reports and surveys commissioned on the site by the Council.

- The tender was initiated on the 5th June with around 100 developers being e-mailed directly by GL Hearn with full marketing particulars and follow up calls.
- A 'Place Northwest' e-mail flyer was also sent out for the site to the full readership of 9,000 recipients. Out of which 4,636 readers opened the e-mail.
- The Council's data room recorded over 400+ visits during the tender period.
- Early interest was shown by a number of national house builders
- The Tender return date initially set for the 10th July was extended to the 31st July 2017 due to requests by developers because of the site complexity for carrying out due diligence.

3.3 The informal tender form required interested parties to:

- Make an offer for the housing site using the technical surveys provided but for bidders to carry out their own due diligence
- Offer to be conditional on planning but to exclude any S106 payments from the offer price
- Show proposed layout, house types and numbers.
- Demonstrate previous housing development experience
- Demonstrate financial ability
- Outline timeframe for development

3.4 The tenders have been evaluated in accordance with the criteria referred to under paragraph 3.3 above.

4. KEY ISSUES & RISKS

4.1 The Council received six informal tenders by the closing date 12.00 pm 31st July 2017. Tenders were opened at 1.00 pm on the 31st July 2017 and all bids were compliant.

4.3 Following an evaluation of all tenders, Tender number 1 was selected as the best one. The selected bid meets the criteria set down in the tender conditions.

The offer represents the highest price following full evaluation of conditions of offer. Tender number 1 provides a good level of detail showing a scheme layout, house types, floor sizes and open space proposals which are in line with the Roe Lee masterplan.

4.4 For these reasons it is recommended that the Council accept the offer from Tender number 1 and appoint them as preferred bidder. The Bidder has provisionally accepted the conditions of sale and draft Heads of Terms in the tender documentation.

The draft heads of terms are as follows:

Vendor

Blackburn with Darwen Borough Council

Purchaser

Tender Number 1

Description

Council owned land at Roe Lee (see attached plan)

Method of Disposal

Freehold subject to planning approval

Development Timescale

Still to be finalised but confirmed full build within the required 6 years

Costs

The purchaser will be responsible for the payment of the Council's surveyor's fees and legal costs to a maximum of £10,000.

Risk

The sale will be subject to planning approval, the developer plans to submit a planning application by January 2018.

5. POLICY IMPLICATIONS

5.1 The disposal is in accordance with the Council's disposal policy and will meet the strategic aims of the Council's Growth agenda

6. FINANCIAL IMPLICATIONS

6.1 The Council will receive a capital receipt for the land.

The scheme will bring substantial inward investment to the Borough along with Council tax income on all new homes built.

Additional income will be received from New Homes Bonus in line with the Council's MTFS projections

7. LEGAL IMPLICATIONS

7.1 The disposal of the site via an informal tender is in line with the Council's disposal policy, it will satisfy procurement requirements and is supported by technical input from legal and procurement.

7.2 The Council will need to ensure appropriate best value considerations in disposal of land as part of any contractual agreements with developers.

7.3 The Council will look to safeguard its interests in ensuring that the land is developed in line with its future revenue benefit projections by agreeing a build programme with the developer.

7.4 Final Heads of Terms for the sale of the land and the completion of contractual terms will be presented to the Executive Members for Resources and Regeneration for approval. Given the size of the land disposal it will be expected that there will be a degree of minor adjustments to the documentation required which can and ought to be dealt with at Officer level.

8. RESOURCE IMPLICATIONS

8.1 The disposal will be led by the Growth team; Legal resources will be required to complete the legal formalities relating to the freehold disposal.

Additional support will be required from Capita Property to carry out assessments of scheme proposals, deliverability and Heads of Terms.

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1 Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. (*insert EIA link here*)

Option 3 In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. (*insert EIA attachment*)

10. CONSULTATIONS

Extensive stakeholder consultations have been undertaken during the course of developing a masterplan framework for the wider Roe Lee area. Further consultations will be undertaken in line with statutory requirements during the Planning process for the development.

Previous consultation has also been undertaken in the development of the Council's Local Plan and Strategic Housing Market Assessment (SHMA)

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded and published if applicable.

VERSION:	1
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CONTACT OFFICER:	Subhan Ali, Strategic Development Manager (Housing)
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DATE:	11 th September 2017
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BACKGROUND PAPER:	Local Plan part one, Roe Lee Masterplan, Roe Lee Tender documents
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