



EXECUTIVE BOARD DECISION

REPORT OF:	Executive Member for Resources Executive Member for Regeneration
LEAD OFFICERS:	Director of Growth and Development
DATE:	14 December 2017

PORTFOLIO/S AFFECTED:	Regeneration	Resources
WARD/S AFFECTED:	Mill Hill	
KEY DECISION:	YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	

SUBJECT: Griffin Housing Development Strategy

1. EXECUTIVE SUMMARY

- 1.1 The Griffin clearance site is a key development priority for the Council. The Griffin regeneration area has previously seen 160 homes refurbished under Housing Market Renewal along with a number of community confidence projects delivered to improve the quality of life for local residents. The Neighbourhood Renewal Assessment (2008) also identified 165 homes of very poor quality to be cleared and the site to be redeveloped. The Griffin SPD (2011) outlined principles for redeveloping the clearance area to provide good quality family housing and environment. The Griffin SPD was further updated in 2017
- 1.2 The Growth & Development team has carried out an extensive options appraisal of the site alongside detailed soft market testing with key developers and housing providers to look at ways of developing the site in a timely manner. The preferred option is to offer the site as two separate phases, with phase 1 being ready for development and phase 2 potentially requiring a compulsory purchase order
- 1.3 The Council has acquired the recently decommissioned Griffin public house to help create a strong frontage onto Bank Top/Redlam. This will make the site more attractive and accessible with the potential for new access into phase 1 from the main road. This has assisted in a favourably soft market testing exercise.
- 1.4 Following on from the soft market testing and options appraisal, it is recommended to offer the site in two phases as separate development opportunities responding to the market interest. This report details the proposed action and seeks approval to engage in the process of disposing of the site for development.

2. RECOMMENDATIONS

That the Executive Board:

- 2.1 Note the outcome of the options appraisal carried out for the Griffin Clearance site, the preferred option to offer the site in two phases, phase 1 via informal land tender and phase 2 via special purchaser arrangement with Together Housing Association

- 2.2 Approve the disposal of phase 1 via Informal land tender to be commenced in 2018
- 2.3 Grant approval to treat Together Housing Association as a 'special purchaser' to develop a new affordable housing scheme for phase 2
- 2.4 Delegate authority to conclude negotiations, including terms of any land sale and contracts to the Director of Growth and Development and Deputy Chief Executive in consultation with the Executive Members for Resources and Regeneration to approve the final commercial terms.
- 2.5 Grant approval to the Director for Growth and Development in consultation with the Director of HR, Legal and Corporate Services to consider serving of a potential Compulsory Purchase Order under the Town and Country Planning Act once all other avenues to purchase by agreement have been expended. A separate report will be presented to the Executive Board to seek approval to initiate the CPO
- 2.6 Authorises the Director of HR, Legal and Corporate Services to complete the necessary legal formalities and all legal documentation.

3. BACKGROUND

- 3.1 In 2008 the Council commissioned a Neighbourhood Renewal Assessment (NRA) for the Griffin area. The NRA identified a number of properties for retention and refurbishment along with the clearance of some very poor quality properties. A Supplementary Planning Document (SPD) for Griffin was developed in July 2011 to help inform the redevelopment of the area once all clearance properties had been cleared.
- 3.2 Griffin has been benefiting from a programme of regeneration since the NRA was completed which has resulted in around 160 homes refurbished and improved. A further 165 identified for purchase and demolition are nearing completion with 5 remaining to be purchased. Of the remaining 5 properties still to be purchased one is currently going through the legal process. The remaining four properties are unlikely to be acquired by agreement although the Council will continue to try and buy them by agreement.
- 3.3 To complete site assembly and initiate development a compulsory purchase order under the Town and Country Planning Act 1990 may be required to purchase the remaining properties. This requires the Council to appoint a willing developer who will need to secure planning permission for the redevelopment prior to the Council initiating any CPO. The CPO if required will be made as a last resort once all other options of purchasing the properties by mutual agreement have been exhausted.
- 3.4 Executive approval was secured in January 2016 (*Redevelopment proposal for the cleared sites in the Griffin Regeneration Area and Alaska Street site*) to offer the clearance site as part of a package of sites for development through the HCA's Developer Procurement Panel 2. Council Officers undertook some market testing with the help of HCA colleagues and identified that potential bidders were unlikely to bid for the site due to severe existing constraints such as requiring a CPO, potential high levels of ground contamination, remediation costs and lack of potential buyers. A decision was made to carry out further due diligence through commissioning technical surveys and ground investigations whilst carrying out further discussions with interested developers.
- 3.5 Officers in the Growth and Development team have undertaken an options appraisal for the site to look at the best way to bring housing development forward in the short term. To support the options appraisal soft market testing has also been undertaken with a number of private developers and registered providers. Consideration has also been given on how the site can be made more attractive to developers.
- 3.6 The Griffin site is proposed to be offered for sale as two separate phases following the detailed options appraisal. Soft market testing has shown very little interest by developers in phase 2 due

to the considerable constraints around land assembly and potential CPO action required. Phase 1 has been of good interest to developers who see development potential in the site with the enhanced frontage and opportunity to create a new access. Offering the site as two parcels will enable the Council to bring housing forward in a timely manner in phase 1 whilst phase 2 is being assembled.

- 3.7 To aid disposal the Council has undertaken a number of intrusive surveys and technical site assessments to help outline constraints on the site. This technical detail will give potential developers some comfort on ground conditions and costs for remediation along with an idea of how any proposed development can be maximised
- 3.8 The Council has also acquired the recently decommissioned Griffin public house to help create a strong frontage onto Bank Top/Redlam. The Griffin has a restricted covenant from the previous owner preventing future trading as a public house, and this together with limited end uses and the apparent poor condition of the building leaves it necessary to demolish to ensure the entrance and site frontage is more attractive to housing developers with possible new access into phase.

4. KEY ISSUES & RISKS

- 4.1 The Griffin sites have been identified as being suitable for the provision of good quality family homes. Initial estimates show a potential to develop approximately 120-150 new 2, 3 and 4 bedroomed family homes.
- 4.2 A number of options have been assessed to determine the best way of disposing the site so that the Council can influence the pace and quality of housing delivery. The soft market testing exercise has resulted in private developers and registered providers showing their interest in all or part of the site which has led to consideration of offering the site in two phases (see Appendix A).
- 4.3 Phase 1 is fully assembled and is ready to be offered for redevelopment; with the purchase of the Griffin public house this site now has a stronger frontage onto the main road. Developers have shown a healthy interest in this site and would look at providing a new highways access into the site. The site has been identified as being suitable for open market housing

Phase 2 has also received a good level of interest but has been identified as being mostly suitable for affordable housing as it fronts onto the Together Housing 'Galigreaves Estate'. This phase will require a CPO to purchase the remaining properties and complete assembly. Together Housing has confirmed their willingness to support the Council in this action if they are appointed as Preferred Developer.

The mix of housing delivered on both sites would be in line with the Griffin SPD and will meet local needs identified through the Strategic Housing Market Assessment (SHMA)

- 4.4 Following on from the soft market testing and options appraisal, it is recommended to offer the two sites as separate development opportunities. This report lays out the proposed action below and seeks approval to engage in the formal process of disposing of the two phases.
- 4.5 Phase 1 is to be offered as an informal land tender to develop new family housing. Potential bidders will be required to submit a scheme proposal, delivery timetable and willingness to enter into a conditional contract. The tender is proposed to be initiated early 2018 and is likely to take around three months to conclude. At the end of the tender exercise a report will be presented for Executive approval recommending a preferred bidder and draft Heads of Terms.
- 4.6 It is proposed that Phase 2 be offered to Together Housing Association (THA) as a special purchaser for development of predominantly affordable housing to meet local need for which the Council will be granted 100% nomination rights. THA are the Council's main strategic Registered

Provider partner and has been instrumental in helping deliver affordable homes across the Borough. Currently THA are providing much needed specialist housing for older persons housing at Shorey Bank and affordable housing at their Ellenshaw site. THA continue to work closely with the Council to develop housing that meets the needs of local residents.

4.7 THA is the largest social landlord in the Borough and owns the adjoining Galigreaves housing estate which is located across from the phase 2 site, any proposals will need to ensure that they are aligned to the existing housing at Galigreave. THA will ensure that any scheme proposal will be in line with the Griffin SPD and provide good connectivity to existing homes in the area.

THA have also shown willing to support the Council in the CPO process to assemble the site. A number of other strategic RP partners have considered the site but believe that THA are best placed to support the Council due to their extensive property ownership in the Griffin area.

4.8 THA will prepare a scheme for the site and submit a planning application. The scheme will be fully funded by THA who will also be able to secure affordable housing grant if required. THA will be given a period of time to finalise their proposals, once the proposals are accepted and planning permission is secured. The Council will engage in the Town and Country Planning CPO with THA support. A report will be presented to members outlining the final scheme proposals and seeking approval to initiate the CPO action

4.9 All new homes developed will be in line with the Borough's need and aspiration for growth. New homes will contribute to the MTFs by way of Council Tax income and New Homes Bonus. New developments will bring in additional investment and new jobs to the Borough

5. POLICY IMPLICATIONS

5.1 The disposal methods will be 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 There are no new financial implications from the disposal of the site. CPO costs have already been factored into the clearance programme.

6.2 The Council is likely to receive a capital receipt from the sale of the site but value will be subject to scheme proposals and extent of abnormalities.

A new housing scheme is likely to bring around £15m of new investment to the Borough (based on the scheme providing 135 new homes at an average build costs of £110k each)

New homes will contribute to the MTFs by way of Council Tax income and New Homes Bonus.

7. LEGAL IMPLICATIONS

7.1 The disposal of the site in Phase 1 will be via an informal land tender and is in line with the Council's disposal policy and will satisfy procurement requirements and is supported by technical input from legal and procurement.

7.2 The disposal of the site in Phase 2 will be via a Special Purchaser route with Together Housing Association.

7.2 The Council will need to ensure appropriate best considerations in disposal of land as part of any contractual agreements with Together Housing Association in accordance with Section 123 of the Local Government Act 1972.

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 commercial 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.

8. RESOURCE IMPLICATIONS

8.1 The Tender process will be led by the Growth team who will also lead on detailed negotiations and preparation of draft Heads of Terms.

Legal resources will be required to support and complete the legal formalities relating to disposal and preparation of any development agreements.

Additional support will be required from Capita Property to prepare site disposal particulars, carry out assessments of scheme proposals, deliverability and support preparation of 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 in the Griffin area as part of the Housing Market Renewal programme, the subsequent Neighbourhood Renewal Appraisal and the preparation and of the Griffin Supplementary Planning Document.

Local Ward Councillors have also been consulted on the proposals.

Local residents and stakeholders have been involved and consulted through the various stages of regeneration. Further consultations will be undertaken during the Planning process for the proposed development.

Additional 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 in the Summary of Decisions published on the day following the meeting.

VERSION:	1
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CONTACT OFFICER:	Subhan Ali, Strategic Development Manager (Housing)
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DATE:	22 nd November 2017
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BACKGROUND PAPER:	Local Plan Part 1, Griffin Supplementary Planning Document (2017), EMD reports
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