



# EXECUTIVE BOARD DECISION

**REPORT OF:** Executive Member for Regeneration

**LEAD OFFICERS:** Deputy Chief Executive

**DATE:** 9th August 2018

**PORTFOLIO/S AFFECTED:** Regeneration Resources

**WARD/S AFFECTED:** Mill Hill and Moorgate

**KEY DECISION:** YES  NO

**SUBJECT:** Griffin Development Site Tender

## 1. EXECUTIVE SUMMARY

- 1.1 Executive Board approval to offer the Griffin Housing site for development as two separate phases was secured in December 2017. The site has now been assembled to a level that it is ready to be offered for development for new housing.
- 1.2 The Growth & Development Team carried out a suite of intrusive surveys for the site to help prepare and de-risk the site for development. Detailed soft market testing with key developers and housing providers has been carried out to determine the optimum way of offering the site for development. Interested developers have expressed a desire to purchase both phases as one site to develop a mixed tenure scheme of family housing.
- 1.3 The site has been formally offered for sale and development through the Council's Contractor and Developer Framework on the 3<sup>rd</sup> of July 2018.

## 2. RECOMMENDATIONS

That the Executive Board:

- 2.1 Notes that the Griffin Housing Development site has now been offered for development via a Mini Tender through the Council's 'Contractor and Developer Framework'
- 2.2 Delegates authority to the Deputy Chief Executive in consultation with the Executive Members for Resources and Regeneration to select an acceptable Preferred Bidder following the conclusion of the Mini Tender
- 2.3 Delegates authority to conclude negotiations, including terms of any land sale and contracts to the Deputy Chief Executive in consultation with the Executive Members for Resources and Regeneration to approve the final commercial terms.
- 2.4 Authorises the Director of HR, Legal and Corporate Services to complete the necessary legal formalities.

### 3. BACKGROUND

- 3.1 Since 2008 the Council has been actively working to purchase properties by agreement in the Griffin area. 165 properties had been identified for purchase and clearance through a Neighbourhood Renewal Assessment (2011) and the majority have now been purchased and demolished. 3 properties on Hardman Street remain to be purchased and the Council will continue negotiations to buy these properties by agreement. Failure to do so may result in the need to carry out a compulsory purchase order (CPO) under the Town and Country Planning Act 1990 for the three properties.
- 3.2 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.
- 3.3 Officers in the Growth and Development Team have undertaken extensive assessments of the site to prepare it for development. A suite of surveys and studies have been completed for the site along with indicative proposals for housing type and tenure to meet with local aspiration and need.
- 3.4 A number of options have also been assessed to determine the best way of disposing the site so that the Council can influence the pace and quality of housing delivery. Soft market testing has resulted in private developers and registered providers showing their interest for the entire site
- 3.5 The Council has also acquired the Griffin public house which is currently being prepared for demolition with the land to be included into the development site.
- 3.6 During March 2018 the Council successfully secured grant funding from the **One Public Estate Land Release Fund** to support enabling works on the site and prepare it for development. This funding will be provided to the successful bidder to carry out the enabling works on the site. The enabling works are likely to include site treatment and remediation, removal of redundant and obsolete services and highways works.

### 4. KEY ISSUES & RISKS

- 4.1 A report was taken to the Council's Executive Board in December 2017 (*Griffin Housing Development Strategy*) seeking approval to offer the site for development as two separate phases due to delays in purchasing two commercial properties in phase 2a (see Appendix 1). The Council has recently bought these two properties and fully assembled both phases.
- 4.2 In late March 2018 an Expression of Interest was issued on the Council's Contractor and Developer Framework. This was to identify interest from any partner who would be willing to carry out Enabling Works and subsequent development of the site for housing. A number of framework partners expressed an interest to carry out the enabling works and purchase the site to provide new family homes. Interested developers expressed a desire to purchase both phases as one site.
- 4.3 The Council will provide the enabling works grant funding that has been secured from the One Public Estate Land Release Fund to the successful bidder to support the pre development works under an NEC3 works contract. This will be in conjunction with a development agreement/building license which will outline the Council's expectations for a quality housing scheme providing family homes for sale and rent on the site.
- 4.4 The site tendered for disposal is made up of the two phases; phase 1 being around the East St area (west of Montrose St) and phase 2a being around Hancock St (east of Montrose St). Both sites are fully assembled for development; with the purchase of the Griffin public house the proposed site now has a stronger frontage onto the main road.

- 4.5 The three properties remaining to be purchased will be part of a later phase (2b) which may need a CPO to assemble them.
- 4.6 The site is planned to provide a mixed tenure scheme which includes open market and affordable housing. The mix of housing will be in line with the Griffin Supplementary Planning Document and will meet local needs identified through the Strategic Housing Market Assessment (SHMA).
- 4.7 All new homes developed will be in line with the Borough's aspiration for growth and local need. 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 method is through the Council's OJEU compliant Contractor and Developer Framework which is in accordance with the Council's disposal policy. New homes 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.
- 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.
- 6.3 A new housing scheme is likely to bring in around £16m of new investment to the Borough.
- 6.4 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 is via a Mini Tender through the Council's OJEU approved Contractor and Developer Framework. This will help determine best consideration for the land.
- 7.2 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.
- 7.3 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.
- 8.2 Legal resources will be required to support and complete the legal formalities relating to disposal and preparation of any development agreements.
- 8.3 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 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.

<b>VERSION:</b>	<b>0.01</b>
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<b>CONTACT OFFICER:</b>	<b>Subhan Ali, Strategic Development Manager (Housing)</b>
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<b>DATE:</b>	13 <sup>th</sup> July 2018
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<b>BACKGROUND PAPER:</b>	Local Plan Part 1, Griffin Supplementary Planning Document (2017)
	Griffin Housing Development Strategy EBD Report December 2017