

EXECUTIVE MEMBER DECISION



REPORT OF: Executive Member for Regeneration
Executive Member for Resources

LEAD OFFICERS: Deputy Chief Executive

DATE:

PORTFOLIO/S AFFECTED: Regeneration Resources

WARD/S AFFECTED: Queens Park

SUBJECT: Alaska St Land Disposal

1. EXECUTIVE SUMMARY

- 1.1 The Alaska Street site is a key development priority for the Council. It is the final parcel of land remaining in the Infirmary Waterside clearance area. The area has previously seen 159 new homes developed by Places for People (PfP) with the adjacent Blackburn Royal Infirmary site also having been developed to provide new homes and an older person's residential home.
- 1.2 The Council's Growth and Development Board supported PfP, a key Strategic Registered Provider (RP) Partner, to be allowed a period of time to prepare a fully worked up development proposal for the Alaska Street site.
- 1.3 PfP's proposal will complete the regeneration of the Infirmary Waterside area and finish off the project that PfP started years earlier. PfP have now completed their assessment for the site and wish to purchase and develop the site to provide much needed affordable homes.

2. RECOMMENDATIONS

That the Executive Members:

- 2.1 Note the final proposal by PfP to develop the Alaska Street site.
- 2.2 Note the draft Heads of Terms for the disposal of the site.
- 2.3 Approve the disposal of the site to PfP.
- 2.4 Delegate 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.
- 2.5 Authorise the Director of HR Legal & Governance to complete the necessary legal formalities.

3. BACKGROUND

3.1 The Alaska Street site is located in the Infirmary Waterside area of Blackburn (see Appendix A). The area has seen significant improvement over the past ten years through Housing Market Renewal investment supporting refurbishment and clearance projects. A large number of homes on Vale St,

Hall St, Leach St and Rockliffe Street were facelifted under the refurbishment programme.

The clearance programme included a number of unfit homes being bought and demolished with the assembled sites used for new housing development. The Alaska Street site is the last parcel of land owned by the Council which was assembled following the completion of the clearance programme.

3.2 PfP, one of the Council's Strategic RP partners, have already built 159 new family homes for rent, shared ownership and market sale on some of the clearance sites. As part of their redevelopment plans, PfP also enhanced the public open space, refurbished the Ivy Street Community Centre and remodelled the Highfield Park for use by local residents.

This was also complimented by David Wilson Homes who completed redevelopment of the former Blackburn Royal Infirmary site and built an additional 116 new homes.

3.3 Development of the Alaska Street site is a key component for housing growth activity and by offering new modern affordable, good quality family homes will meet the needs and aspirations of the local community. New homes will add diversity within the area as well as tackling housing issues such as the mismatch between supply and demand of house types, lack of housing provision to meet the aspirations of residents and poor housing condition across the Borough.

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 sites 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 clearance sites due to severe constraints such as 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 RPs and any interested developers.

3.5 There has been limited interest from private developers due to the likelihood of higher than average remediation costs for the site. Officers from the Growth team have discussed the opportunity with the Council's strategic RP partners Together Housing, Great Places and PfP. Out of the three RP partners PfP have a large number of affordable homes in the Infirmary Waterside area

KEY ISSUES & RISKS

4.1 PfP has been a strategic RP partner with the Council for a number of years and has been the key delivery partner in Infirmary Waterside. They have successfully delivered many outcomes benefiting the Borough such as 160 new homes, public open space and infrastructure improvements at Lock 54 (Infirmary Waterside). Most recently they have also completed a scheme of 38 affordable homes at Newfield Drive.

PfP confirmed their desire and willingness to continue as the Council's strategic partner in Infirmary Waterside and finish off the regeneration of the area with a proposed scheme which will provide new family homes that will complement and enhance their original Lock 54 development. The Council granted PfP a period of exclusivity to develop a scheme proposal which meets the Borough's needs and aspirations.

4.2 Officers from the Growth team have been working closely with PfP to determine the preferred house types and tenure suitable for the site. The Council has shared the recently completed intrusive site surveys with PfP to help determine the best scheme for the site.

4.3 PfP carried out additional surveys and an independent needs analysis which pointed to a local demand for homes for affordable rent. This need was confirmed by the Council's Housing Needs team who are regularly seeing a large number of bids for properties offered for rent in the Infirmary area through the BwithUs scheme. The majority of demand is for good quality 2 and 3 bed family homes for rent.

4.4 The scheme will provide 73 new homes consisting of 18 two bed homes, 42 three bed homes and 13 four bed homes. PfP have agreed to provide four of the new homes to 'Lifetime Homes' standards to help the Council cater for potential future disabled adaptations required for residents. The Council will also be granted nomination rights for 50% of all new properties; PfP will work closely with the Housing Needs team to identify residents for the properties.

4.5 PfP has chosen to build the new homes through modern off-site construction methods. This will increase the pace of delivery allowing the scheme to be completed within 18 months from start on site. All homes will be to development standards and meet the Homes England build standards.

4.6 PfP is one of the Council's strategic RP partners who have delivered affordable homes across the Borough. Lock 54 was developed in the Infirmary Waterside clearance area and has been recently followed up by the provision of 38 affordable homes at Newfield Drive expanding their existing stock holding in the Borough. PfP will prepare and deliver a scheme of 73 new homes for affordable rent which will be fully funded by PfP.

4.7 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 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 £250,000 capital receipt from the sale of the site; the value has been determined through an open book viability appraisal of the proposed housing scheme.

A new housing scheme is likely to bring around £9m of new investment to the Borough

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 to a preferred partner to deliver much needed affordable homes for rent is in line with the Council's disposal policy.

7.2 The Council has ensured best value considerations in disposal of the land a transparent open book viability appraisal.

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

7.4 Final Heads of Terms for the sale of the land have been agreed and will be presented to the Executive Members for Resources and Regeneration for approval.

8. RESOURCE IMPLICATIONS

8.1 The disposal is being led by the Growth team who have been involved in 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 previously through the Housing Market Renewal programme and development of the Infirmary Waterside Supplementary Planning Document.

Further consultations will be undertaken in line with statutory requirements during the Planning process for the proposed development.

Resident 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:	0.1
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CONTACT OFFICER:	Subhan Ali, Strategic Development Manager (Housing)
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DATE:	21 st September 2018
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BACKGROUND PAPER:	Local Plan part one, Infirmary Waterside Supplementary Planning Document
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