



EXECUTIVE MEMBER DECISION

REPORT OF:	Executive Member for Growth and Development Executive Member for Finance and Governance
LEAD OFFICERS:	Director of Growth and Development
DATE:	15 th July 2019

PORTFOLIO/S AFFECTED:	Growth and Development	Finance and Governance
WARD/S AFFECTED:	Blackburn Central	Mill Hill and Moorgate

SUBJECT: GRIFFIN HOUSING SITE PREFERRED DEVELOPER AND LAND SALE

1. EXECUTIVE SUMMARY

In 2018 the Council’s Executive Board granted approval to offer the Griffin housing site for development through the Council’s ‘Contractor and Developer Framework’. The Griffin site has been assembled following clearance of around 165 substandard terraced properties. The Council also purchased the redundant Griffin Inn public house to add to the land assembly and provide an opportunity for a quality new housing scheme with frontage onto Bank Top/Redlam.

It was identified that one framework partner submitted a compliant bid for the tender to provide good quality family housing on the Griffin clearance site.

A clarification period was granted to the bidder during which officers have been working to finalise the detail and ensure that the proposed housing development meets the aspiration and needs of the Borough and its residents. Clarification was also sought on potential partners that would be involved in delivering the mixed tenure site.

The proposed scheme will accommodate existing street layout, provide better connectivity to existing housing areas at Griffin and Galligreaves and offer an enhanced mix of house types. The new homes will provide a mix of type and tenure which will further help to diversify the local housing stock which is predominantly back of pavement 1920s terraced houses

The scheme will provide 141 new family homes in three phases and will offer a mix of affordable homes, homes for private rent and homes for market sale.

2. RECOMMENDATIONS

That the Executive Members:

- 2.1 Confirm the appointment of the Preferred Bidder to purchase and develop the site for a housing scheme and deliver the site Enabling Works on behalf of the Council.
- 2.2 Authorise officers to finalise the works contract for the Enabling Works, Heads of Terms (as outlined in the part 2 report) and Development Agreement for the sale of the land
- 2.3 Authorise the Director of HR, Legal and Governance to complete the necessary legal formalities.

3. BACKGROUND

3.1 Since 2008 the Council has been actively purchasing properties by agreement in the Griffin area. 165 properties had been identified for purchase and clearance through a Neighbourhood Renewal Assessment undertaken for the area.

The majority have now been purchased and demolished with 3 properties on Hardman Street remaining to be purchased. Negotiations to purchase these properties by agreement have stalled as the owners are unwilling to sell the properties.

The Council continues to seek to purchase the outstanding interests by agreement but recognise that a compulsory purchase order (under the Town and Country Planning Act 1990) may be required as a last resort, if negotiation fail.

3.2 The Griffin housing site has been identified as being suitable for the provision of good quality 2, 3 and 4 bedroom family homes. This mix of housing was also reflected in the Griffin Supplementary Planning Document (updated 2017) which was developed following public consultation with local residents, stakeholders and ward members.

3.3 Extensive site surveys and assessments have been undertaken on the site to create market confidence for potential developers. The Council also acquired the Griffin public house for demolition, with the site to be included in development proposals to allow a better frontage for the new scheme onto Bank Top/Redlam

3.4 During March 2018 the Council successfully secured grant funding from the One Public Estate Land Release Fund to support site remediation and enabling works to prepare it for development. The enabling works will be undertaken over the next few months and are likely to include site treatment and remediation, removal of redundant and obsolete services and highways works.

3.5 A report was taken to the Council's Executive Board in August 2018 (*Griffin Development Site Tender*) seeking approval to offer the Griffin housing site for development through the Council's 'Contractor and Developer Framework'.

4. KEY ISSUES & RISKS

4.1 One compliant bid was received to provide good quality housing on the Griffin clearance site. The Preferred Bidder has also been selected to deliver the One Public Estate Land Release Fund (OPE LRF) funded enabling works on behalf of the Council. The bid outlined proposals to provide good quality new family homes but further detail was required around boundary treatments, connectivity and the local environment.

4.2 A further clarification period was granted to finalise the detail and ensure that the proposed housing development meets the aspiration and needs of the Borough and its residents. Clarification was also sought on potential partners who would be involved in delivering the mixed tenure site.

The proposed scheme accommodates existing street layout, better connectivity to existing housing areas at Griffin and Galligreaves and an enhanced mix of house types.

4.3 The scheme now provides a wide mix of type and tenure which will further help to diversify the local housing stock which is predominantly back of pavement 1920s terraced houses. The scheme will provide 141 new family homes in three phases and will offer affordable homes, homes for private rent and homes for market sale.

4.4 The offer includes a land receipt and a small sum to use towards improving linkages between existing and new homes.

4.5 The Council will provide OPE LRF grant towards infrastructure and land remediation costs for the scheme. This grant funding was secured by the Council to carry out specific works such as land remediation, infrastructure and services relocations to make the site deliverable.

OPE LRF grant is subject to achieving a number of milestones in delivering the scheme. The first milestone to carry out a tender/procurement and appoint a developer has now been met. The second milestone to commence the Enabling Works has also been satisfied with commencement of works and remaining works to be carried out over the coming months. The main milestone required by OPE is to have homes being built on site by June 2020. Plans are well underway to achieve this with a pre planning meeting arranged for the 8th of August to start the planning process.

The Preferred Bidder has prepared a development programme which shows the milestone being delivered in accordance with the Council's requirements. Officers will be working closely with the preferred bidder to ensure the development programme is met. Ongoing progress is regularly discussed with the OPE monitoring team who have been fully supportive of the delivery programme.

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 from the transaction.

The scheme will also bring inward investment of around £16m to the Borough along with around £140,000 annual Council tax income on all new homes built.

Additional income from New Homes Bonus payments has already been factored into the MTFS projections

7. LEGAL IMPLICATIONS

7.1 The disposal of the site via the Contractor and Developer Framework is in line with the Council's disposal policy, it satisfies procurement requirements and has been 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 prepared in line with the bid offer.

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 Supplementary Planning Document for the Griffin 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:	0.03
CONTACT OFFICER:	Subhan Ali, Strategic Development Manager (Housing)
DATE:	
BACKGROUND PAPER:	Local Plan part 1, Griffin Supplementary Document (2017)