



EXECUTIVE MEMBER DECISION

REPORT OF:	Executive Member for Growth and Development Executive Member for Finance and Governance
LEAD OFFICERS:	Director of Growth and Development (Please Select)
DATE:	20 th September 2019

PORTFOLIO/S AFFECTED:	Growth and Development	Finance and Governance
WARD/S AFFECTED:	All	(Please Select...)

SUBJECT: Growth Programme – Affordable Homes Infill Development Sites disposal

1. EXECUTIVE SUMMARY

In March 2019 the Council's Executive Board granted approval for the 2019/20 Growth programme. A number of key Council owned housing and commercial sites were identified for disposal and development.

Approval was also secured to carry out options appraisals on any emerging sites suitable for housing development and preferred disposal route of the site.

Sites suitable for market housing would be through open tender or procurement while sites suitable for affordable homes would be offered for development to one of the Council's preferred Registered Provider (RP) partners; Great Places Housing Association (GPHA), Places for People Housing Association (PfP) or Together Housing Group (THG).

This report deals with three infill sites being considered for disposal by the Asset Management Group (AMG). Following discussions with RPs, GPHA showed a positive interest in developing the sites to provide affordable homes for rent and shared ownership.

Indicative schemes have been prepared which now need further due diligence to firm up proposals. GPHA plan to carry out site investigations and surveys at their own cost if approved as preferred developer.

2. RECOMMENDATIONS

That the Executive Members:

- 2.1 Confirm the appointment of the Great Places Housing Association as preferred purchaser to purchase and develop the three identified infill sites (shown at appendix A, B and C) for affordable housing.
- 2.2 Authorise officers to finalise the Scheme details, agree draft Heads of Terms for the disposal of the three sites through Delegated Powers and present to the Executive Member for Resources for approval.
- 2.3 Subject to approval for disposal under Delegated Powers, authorise the Director of HR, Legal and

3. BACKGROUND

- 3.1 The Council has adopted an aspiration for growth in the Borough with the Local Plan (adopted 2015) outlining a need for around 9,000 new homes in the Plan period with 20 percent being for affordable need. The Council's Growth and Development programme for 2019/20 highlights a number of housing sites which are currently being prepared for disposal for new housing development.
- 3.2 A report was presented to the Council's Executive Board in March 2019 entitled 'Growth Programme 2019/20: Site Disposal & Development Projects'. This reports sets out the proposed programme of activity for 2019/20 and the intention to treat the Borough's three main registered providers as preferred purchasers in situations where they can work with the Council to provide affordable homes to meet the Borough's needs.
- 3.3 Larger sites suitable to provide mixed tenure housing are being offered for disposal through either a tender or procurement exercise. Officers work closely with private developers to identify the best disposal route to offer these sites for development on the open market.
- 3.4 Smaller-infill sites which are identified as potentially being suitable to provide much needed affordable homes are considered for disposal to registered providers.
- 3.5 Officers actively work with the three main registered providers; Together Housing, Great Places Housing Association and Places for People Housing Association to bring forward much needed new affordable homes for rent and shared ownership.

4. KEY ISSUES & RISKS

- 4.1 The Council's Asset Management Group identified three 'infill' sites for potential disposal or development. These three sites are

Site 1 – Whitehall Road, Revidge, Blackburn (appendix A)

This site is a fairly flat site of around 2.1 acres, the site is flanked by housing on two sides with Blackburn Golf Club to the north. The site is in a good residential area and would be suitable for housing.

Site 2 – Osborne Road, Revidge, Blackburn (appendix B)

This is a sloped site of around 2.0 acres, located off Revidge Road and includes a decommissioned play area/open space alongside a small garage colony. The garages are underused and majority unoccupied and are on a one month notice tenancy.

Site 3 – School Lane, Guide, Blackburn (appendix C)

This site is made up of an old garage colony which has been decommissioned along with some informal green infrastructure surrounding a terraced block of properties off School Lane. The site is around 1.9 acres in size.

- 4.2 The Growth and Development team has undertaken an assessment of which RP would be best placed to develop the three sites. This assessment included looking at current commitment, capacity and willingness of the RP to develop the three sites. This was alongside detailed analysis of the type and tenure of the proposed housing to ensure it meets the Council's Strategic Needs.

Great Places Housing Association (GPHA) are considered to be the preferred purchaser as they are working with the Council on a number of key strategic projects and are interested in

developing all three infill sites for affordable housing. GPHA have prepared initial proposals which show a mix of good quality two and three bed family homes for affordable rent and shared ownership.

GPHA is a trusted partner who has vast expertise in developing affordable housing on small infill sites. Previously they have successfully developed housing on small sites on Lincoln Road and the old Mill Hill Resource centre. They are now working with the Council to redevelop the Laneside old peoples home site which has recently been CPO'd

Proposals show around 88 new homes being built across the three sites with 47 for affordable rent and 41 for shared ownership sale.

The Council is also working actively with the remaining two partner RPs who are busy developing other sites across the Borough.

4.3 Early cost analysis shows that the proposal would be viable and yield a capital receipt for the Council land but final values will be subject to detailed site investigations and surveys. GPHA intend to develop all three sites simultaneously as economies of scale will bring development efficiencies needed to deliver these challenging sites.

4.4 GPHA are now looking to start carrying out the site surveys (at their own cost) to finalise the scheme proposals. Once this work has been concluded a formal proposal and land offer will be presented to the Council for the three sites.

4.5 The Council could choose to offer the three sites for sale separately or as a parcel on the open market. Whilst this may provide some additional interest and potential land receipt, the Council would only have limited planning control on what is developed on the site creating uncertainty for residents living in proximity to the sites.

Past experience has shown this approach not being favourable, for example the Council has recently had to CPO the derelict Laneside care home which was sold by the Council some 17 years ago. It was sold on the open market but lay empty for a number of years causing anti-social behaviour, fly tipping and blight to the local neighbourhood.

4.6 Approval to treat GPHA as a preferred purchaser will ensure that proposals for the sites are worked up with input from Council officers and will guarantee development of the sites in an agreed timely manner.

5. POLICY IMPLICATIONS

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

6. FINANCIAL IMPLICATIONS

6.1 The Council is likely to receive capital receipts from the transactions, the final figures will be subject to development costs, land remediation costs and scheme viability.

The scheme will bring inward investment to the Borough of around £8m along with around £65,000 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 to a registered provider to provide much needed affordable homes is in line with Council's Growth Programme (see report [Growth Programme 2019/20: Site Disposal & Development Projects \(March 2019\)](#))
- 7.2 The Council will need to ensure appropriate best value considerations in disposal of land as part of any contractual agreements.
- 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 reported to the Executive Member for Resources and disposal will be under delegated powers.

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:	0.02
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CONTACT OFFICER:	Subhan Ali, Strategic Development Manager (Housing)
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BACKGROUND PAPER:	EBD – March 2019 titled 'Growth Programme 2019/20: Site Disposal & Development Projects'.
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