

Report to:	Cabinet	Date: 17 November 2021
Subject:	Brownfield Housing Delivery Strategy: Disposal of land at Seedfield Bury and William Kemp Heaton Bury (Part A)	
Report of	Cabinet Member for Housing Services	

Summary

This report seeks approval for the disposal of two Council-owned Brownfield sites in Bury that have the potential to be redeveloped to deliver much needed housing and will generate a significant capital receipt.

The former Seedfield Centre in Bury has been derelict for some time and the site is allocated for housing within the forthcoming local plan. The Council successfully applied for Greater Manchester Combined Authority (GMCA) Brownfield Housing Fund monies to bridge any viability gap. The proposed developer, Hive Homes, will deliver a planning compliant scheme of 81 family orientated houses.

The Council will ensure that the existing tenant, Seedfield Sports Club, is provided suitable alternative accommodation prior to the commencement of demolition works.

The former Williams Kemp School site in Bury has been cleared since the development of nearby Peachment Place. The Council is working with Great Places Housing Group to deliver a bespoke intergenerational affordable housing scheme that included affordable family homes, accessible bungalows and specialist supported living apartments for people with learning disabilities. It has been designed to complement and utilise the existing facilities in Peachment Place.

The Council will ensure that the redevelopment of the site will not have any detrimental effect upon the existing residents of Peachment Place.

Once developed the two sites have the potential to deliver 118 new homes, including 57 of an affordable tenure (48% - nearly twice planning policy compliance) of which 15 will be much needed bespoke supported homes for disabled tenants.

Recommendation(s)

That Cabinet:

1. Approve the disposal of land at Seedfield in Bury for low carbon family housing development in accordance with the terms included within Part B of this report.

2. Approve the disposal of land at William Kemp Heaton Bury for affordable housing and assisted living accommodation development in accordance with the terms included in Part B of this report.
3. Delegate the finalised terms of the agreement to the Director of Economic Regeneration and Capital Growth in consultation with the Cabinet Member for Finance, the Cabinet Member for Housing Services, S151 Officer and Monitoring Officer.

Reasons for recommendation(s)

1. To facilitate the Council's Brownfield first approach to housing delivery.
2. To accelerate the delivery of much needed homes with a range of affordable tenures and typologies to reflect the modern demands of housing as outlined in the Councils Housing Strategy.
3. To generate capital receipt upon the successful disposal of the sites.
4. To reduce revenue cost to the Council of holding, maintaining, and securing this long term cleared sites.

Alternative options considered and rejected

5. Do nothing. Bury has high levels of housing demand and supply is required in the marketplace immediately. The Council has several sites it is actively marketing through external agents and these sites are taking 12-18 months to be disposed of. Additional time will be required for planning prior to commencement of works. The proposals in this report accelerate commencement to within 6 months. This is reflected within the overall Best Value assessment.
6. Market Seedfield. Hive Homes are delivering a policy compliant development and are proposing to transfer liability of the repayment of the £995,000 grant. The Best Value assessment reflects this special arrangement and supports direct engagement.
7. Market William Kemp Heaton. Great Places are delivering a bespoke intergenerational affordable scheme with specialist supported accommodation that would not be delivered within the current housebuilding marketplace.
8. The Council is also disposing of 50+ other sites through the Accelerated Land Disposal Programme. Capacity is limited and there is an acute housing need across the district. These disposals are oven ready, allowing resources to be spent unlocking other brownfield housing sites.

For these reasons these options were discounted.

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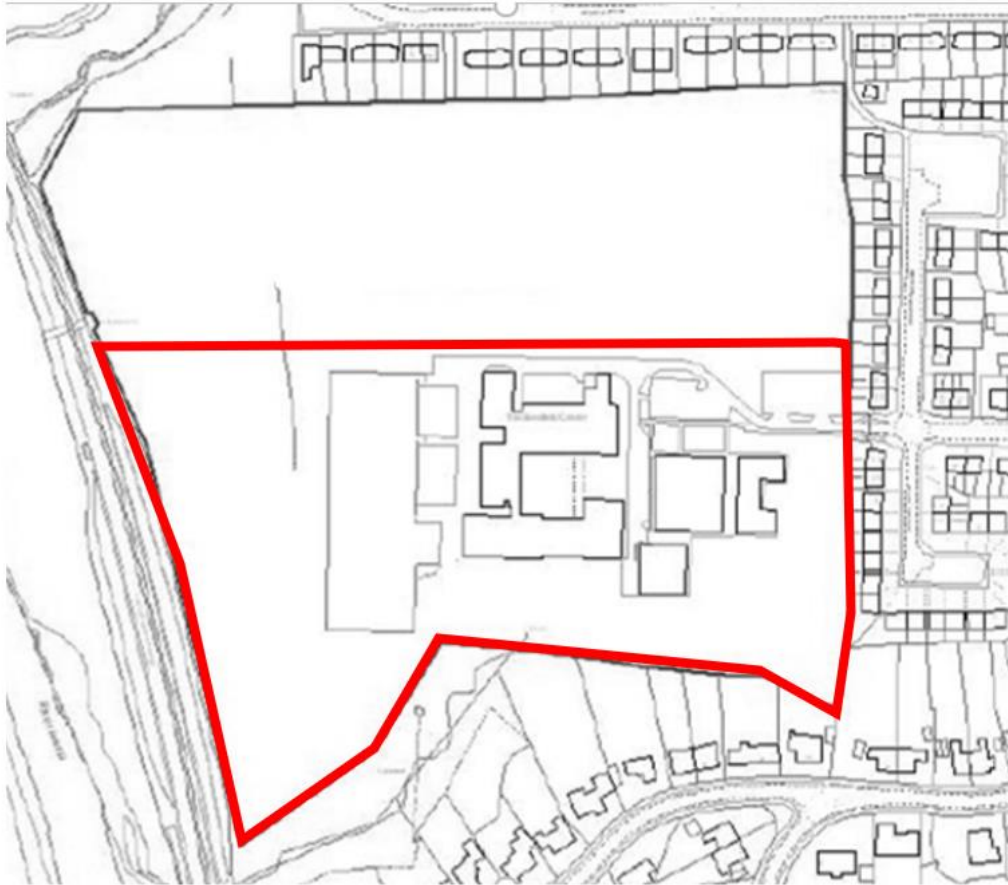
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Background

This cabinet paper is a component of the Brownfield Housing Delivery Programme being led by officers from Property and Housing within the Business Growth & Infrastructure Directorate.

Former Seedfield Centre Parkinson Street Bury BL9 5DW

1. The brownfield element of the Seedfield site was originally built as a secondary school and has had a variety of interim uses over the last 30+ years. The buildings require significant investment to bring them up to modern standards and have been declared surplus.
2. The site is currently semi derelict, a source of antisocial behavior and is an operational and revenue burden on the Council. Seedfield was approved for disposal as part of the Accelerated Land Disposal Programme at Cabinet in March 2021.



3. It is proposed to dispose of the site to unlock the development of 81 new homes, of which 20 (25%) will be of affordable tenures.
4. The proposed developer is a delivery vehicle of a local affordable housing group and has received cornerstone funding from GMCA. Due to the continuity between their funding and the Brownfield Housing Funding they can be considered a special entity.
5. Hive Homes is proposing the delivery of a family orientated development that makes a commitment to accelerated construction that is delivered quicker than that of a standard PLC housebuilder in which delivery programme would be dependent upon sales uptake
6. Hive Homes are proposing to deliver a low carbon sustainable development – of which 25% will be of Ecohomes standard in addition to 100% of the houses being electrically heated (I.e. not reliant upon fossil fueled powered gas boilers) and will include naturally planted, sustainably drained landscaping and incorporate electric vehicle driveway charging.

10. The commercial terms are higher than the Council's book value and supported by an external best value report by CBRE.
11. Proposed control mechanisms have been proposed to ensure that the proposals are developed, and the Council retains control if progress is not made.
12. It should be noted that part of the site is used by Seedfield Sports Club and the Council will ensure that their operation can either continue on the greenfield element of the site or alternatively be relocated as part of the overall development delivery.
13. The full commercial terms of the proposed disposal are outlined in Part B of this paper.
14. In line with external advice received, the Council shall ensure that a mechanism for taking back control of the land is included in the event that the developer fails to secure planning within 12 months, commence works within 6 months of planning consent and an ultimate long stop of 36 months.
15. The delivery of this will be subject to contract drafting but is likely to be the term of the contract on a phased milestone basis.
16. Hive Homes anticipate submission of a full planning application in early 2022 with a start on site commencing around Q2 2023.
17. The Council commissioned CBRE to conduct an external third-party assessment of the proposed commercial terms, disposal proposal and development output in the context of achieving the prescribed requirements of best value as set out in Section 123 of the Local Government Act 1972.
18. This was conducted by assessment of the following:
 - Development proposal
 - o Strategic fit within Burys Housing Strategy
 - o Quality of design
 - o Overall development viability
 - Policy Context
 - Rationale for disposal
 - Deal structure
 - Benefits to the council
 - Value for money
 - Catalytic change
 - Preferred location
 - Investment
 - Protection of assets

- Indirect benefits to the council
- Risk mitigation
 - Delivery
 - Affordability
 - Development
 - Completion

18. The report concludes that the commercial terms and development proposal have been assessed against what the wider marketplace could provide. It acknowledges the green credentials, planning policy compliance and accelerated construction along with benchmarking the value of the total cash and asset consideration.

19. CBRE's report concludes that they are satisfied that the disposal of Seedfield represent value and that they consider the proposed terms satisfy the councils obligations to demonstrate best value.

20. A copy of the Best Value report is included within Part B of this report.

Former William Kemp Heaton School Bury BL9 9GQ

21 The former William Kemp Heaton site off Kemp Heaton Road is a Council-owned brownfield site in Bury. Cabinet approved the disposal of this site as part of the Accelerated Land Disposal Programme in March 2021.

22. The demolition of the former William Kemp Heaton Day Care Centre took place in 2016 and the site has been derelict since then. The site is adjacent to Peachment Place, the Council's 60 bed extra care scheme completed in 2019.



23. This is a brownfield site of 3.12 acres which has capacity for a range of homes including bungalows, houses, and apartments. Development proposals for this site must complement and capitalise on the existing Peachment Place extra care scheme and its facilities including bistro, beauty salon and programme of activities.

24. Due to its proximity to Peachment Place, the Council's integrated commissioners for Adult Social Care have identified this site for affordable housing for older people and specialist/supported accommodation for people with a learning disability and/or autism. Some of these people are currently placed out of the Borough at a high cost to the Council, owing to lack of suitable accommodation and/or support facilities for them in Bury. Some of these people also have a physical disability.

25. Great Places Housing Group, a registered provider, is proposing the delivery of a 100% affordable housing scheme on Council-owned brownfield land. This will enable the construction of 37 new affordable homes including 15 specialist/supported apartments for people with learning disabilities and/or autism which can be adapted to suit need at any given time, and 9 bungalows to meet the needs of older people and those with mobility issues. The Council's integrated commissioners for adult social care have played a major role in shaping the development proposals to ensure they meet the needs of specific client groups.



26.The house types and tenure mix are as follows:

- 9 x 2-bedroom accessible bungalows for social rent
- 4 x cottage flats for affordable rent
- 4 x 2 bed 2 storey houses for affordable rent
- 5 x 3 bed 2 storey townhouses for affordable rent
- 15 x 1 bedroom supported living apartments

Specialist supported living apartments



Accessible bungalows



Affordable family homes and integration with Peachment Place (RHS)



27. The supported living accommodation will be multifunctional, all units will be fitted with assistive technology and purposefully built to accommodate hoists, wider door frames, space for wheelchair users and walk in shower rooms, all of which can be adapted to suit need at any given time.
28. The sale of this asset will enable the Council to meet its statutory obligations to support individuals with additional needs and, remove operational holding costs and Council liabilities for derelict land.
29. Development proposals include a mix of social and affordable rented family homes, specialist/supported accommodation and, accessible bungalows specifically for older people and people with mobility issues. The Council has negotiated full nomination rights to all 37 dwellings on this scheme.
30. It should be noted that the completed family housing development when complete will produce around £50,000 of additional Council Tax income per annum. New Homes Bonus payments may be payable subject to district wide performance and in compliance with the updated Government policy.
31. The full commercial terms of the proposed disposal are outlined in Part B of this paper.
32. Like many other areas, Bury is facing an increasing shortage of affordable housing with more and more people on low incomes unable to rent a suitable home they can afford that meets their needs. A Housing Need and Demand Assessment undertaken in 2020 estimates that there is a net shortfall of affordable homes to rent or buy for 448 households across the Borough each year.

33. The Greater Manchester Health and Social Care Partnership in conjunction with the Housing Learning and Improvement Network, have suggested that Bury requires an additional 138 self-contained supported living units by 2031.
34. At present, there are approximately 1,500 live applications on the Council's Housing Waiting list and around 45% of those require a 2 or 3 bed property and 50% require a one bed property.
35. Releasing assets and brownfield sites such as the former William Kemp Heaton site for affordable housing development gives the Council an opportunity to meet its housing targets and increase the supply of affordable housing and specialist/supported accommodation across the Borough.
36. This proposal is complementary in nature to Peachment Place and has the potential to generate savings to the Council's Adult Social Care Budget of a minimum of £75k per annum based upon low-risk low-need clients as a consequence of bringing out of Borough placements back in Borough. This value could be substantially higher if the individuals had higher needs. It will also help prevent other adults from being placed out of the Borough in the future. In addition, there are considerable housing pressures in Bury and GPHG is an experienced provider of specialist/supported living for older people and those with learning disabilities which, in collaboration with the Council, will unlock much needed affordable homes.
37. The commercial terms have been benchmarked by a valuation by the district valuer, details of which are contained in Part B of this report.
38. Proposed control mechanisms have been proposed to ensure that the proposals are developed, and the Council retains control if progress is not made.
39. Great Places anticipate submission of a full planning application in early 2022 with a targeted practical completion from Summer 2023.

40 Links with the Corporate Priorities:

- 40.1 This proposal contributes towards meeting the Council's priorities across a range of policy areas including increasing the supply of affordable housing to meet general housing needs and the housing needs of older people and those with a disability. It sets out plans for the delivery of a diverse housing development on brownfield land and an opportunity to create successful and inclusive neighbourhoods in conjunction with the Bury 2030 Let's do it Strategy.

41 Equality Impact and Considerations:

- 41.1 This proposal promotes equality of access to housing and demonstrates a positive impact on people with protected characteristics. It seeks to ensure that there is a mix of tenures and house types across the site to meet the needs of all residents and, recognises the specific housing needs of different client groups including older people, people with disabilities, low-income households and people who are homeless or at risk of homelessness.
- 41.2 Whilst there are no direct equality issues, the development of this site will result in the regeneration of a run-down area which will improve the local environment by reducing opportunity for anti-social behaviour including fly-tipping. The development will also provide 33 much need affordable homes for residents of the Borough.

42 **Environmental Impact and Considerations:**

25% of the homes at Seedfield will be built to Ecohomes standard and no homes will have gas boilers installed.

The new homes will be built to 'Future Homes Standard' including the installation of energy efficiency measures to reduce fuel bills and cut carbon emissions.

Nesting bricks to side elevations in shaded areas will encourage wildlife and provide nesting opportunities.

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
The scheme doesn't get delivered.	This is unlikely as Great Places Housing Group will be investing a significant amount of money in achieving planning and, Homes England funding has been approved for delivery. If the scheme does not get delivered the Council will have received payment for the land and removed its liability for long-term maintenance and repair.
	GMCA are the cornerstone funder of the Joint Venture that is Hive Homes. In the event that Hive fail to deliver the development the council will approach the funder or other joint venture partners to ensure practical completion.
The proposal will generate 56 much needed affordable homes for residents of the Borough (including 15 multifunctional specialist/supported homes which can be	

adapted to suit need at any given time) to help meet the Council's housing targets.	
This derelict site is a wasted resource and a liability to the Council. It is susceptible to fly-tipping, crime and anti-social behaviour and costs the Council time and money to maintain.	The sale to Great Places Housing Group will generate income and cost savings as it will remove any repair and maintenance liabilities to the Council and, result in other social, environmental, and financial benefits including new homes bonus and council tax revenue

43 **Legal Implications:**

Approval to dispose of these sites land was agreed by Cabinet in March 2021. The Council must ensure that it meets the obligations of the best value requirements of s123 of the Local Government Act 1972. The full commercial information is set out in part B of this report including an independent valuation and best value assessments.

These proposals both involve the sale of land to housing associations to bring forward development of the scheme. The Seedfield site is subject to a brownfield land agreement which following novation will transfer responsibility for that funding to the developer.

Detailed legal advice will be provided at all stages.

44 **Financial Implications:**

1. The disposal of the Seedfield site will generate a significant capital receipt. The CBRE report demonstrates that the proposal offers best value and the proposed land value being offered is significantly higher than the book value of the land in the Councils accounts. The overall consideration must also include the existing liabilities and missed opportunity costs of the Council retaining ownership of housing sites.
2. The two schemes will enable the construction of 118 new homes, that will generate additional council tax revenue to the Council, of which 56 will be affordable homes.
3. The construction of 15 specialist supported living homes at William Kempt Heaton should save the Adult Social Care budget a minimum of £75k per annum and keep the social care provision within the district.
4. On the basis of compliance with the government's programme and dependent upon the wider delivery of housing supply, the development proposals have the potential to also generate New Homes Bonus payments. However, this is reliant upon the Council achieving the minimum threshold for new housing developments which it hasn't done for a number of years.

5. Breakdown of the financials for both schemes is contained within Part B. Through negotiation the council has been able to transfer grant repayment to the purchaser of the Seedfield site. This will save the Council £995,000.
 6. Disposal of land usually necessitates the expenditure of fees to support technical due diligence, property agency, marketing costs and legal fees. As these proposals will be direct transactions, they save costs by only incurring legal fees.
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Background papers:

None.

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
GMCA	Greater Manchester Combined Authority
Registered provider	Also known as a housing association.