

## REDDITCH BOROUGH COUNCIL

### Executive Committee

Date: 11th June 2019

#### UPPER NORGROVE HOUSE

Relevant Portfolio Holder	Councillor Matthew Dormer, Leader of the Council and Portfolio Holder for Planning, Economic Development, Commercialism and Partnerships
Portfolio Holder Consulted	Yes
Relevant Head of Service	Head of Legal, Equalities and Democratic Services
Ward(s) Affected	West ward
Ward Councillor(s) Consulted	Yes
Non-Key Decision	

#### **1. SUMMARY OF PROPOSALS**

- 1.1 To update Members on proposals to work up a scheme for the development of the Council's site at Upper Norgrove House, to seek approval for the proposed development of the site in partnership with adjacent land owners who have expressed interest in developing their sites with the Council, and to seek delegated authority to enter into partnership agreements with them to implement the proposal as approved.

#### **2. RECOMMENDATIONS**

The Committee is asked to **RESOLVE** that:

- 2.1 **The Council-owned site at Upper Norgrove House be included in a scheme for the provision of housing, in co-operation with adjoining land owners who wish to secure planning permission to develop their land in collaboration with the Council;**
- 2.2 **Authority be delegated to the Head of Legal Equalities & Democratic Services and the Chief Executive following consultation with the Leader to negotiate and enter into collaboration agreements with those adjacent owners (and third parties identified as necessary), to deliver the proposal if approved;**
- 2.3 **That the Head of Legal, Equalities and Democratic Services be delegated authority to agree the appointment of an external legal advisor as a member of the development group, and an independent legal advisor and other necessary professional support to advise the Council in relation to the implementation of the decision and the legal arrangements required to deliver it.**

**2.4 To RECOMMEND that the associated cost of £25k is funded from General Fund Balances (£17k) and HRA reserves (£8k).**

**3. KEY ISSUES**

- 3.1 The site of the former Upper Norgrove House in Webheath is owned by the Council with .82 acres held within the Housing Revenue Account (HRA) and the remaining 2.2 acres held within the General Fund (GF) Appendix 1. The site has been declared as surplus and was cleared when the house was demolished some years ago.
- 3.2 The site has been the subject of reports to Members, the most recent being on 23 July 2008 and 3 December 2008, when various options for the future of the site were considered.
- 3.3 In addition to developing options for future development, Members have previously directed officers to enter into negotiations with third parties to consider joint proposals for disposal / development.
- 3.4 The most significant change since then is that the land is now within the Webheath Strategic Site, allocated for housing in the Redditch Borough Council Local Plan adopted on 30 January 2017 and in place to 2030 to deliver 400 - 600 houses within the Plan period to 2030. Some housing development has already taken place.
- 3.5 In its role as a land owner within this strategic site, the Council has been approached by and has had some preliminary discussions with adjacent owners to explore the possibility of working cooperatively to maximise the potential for the development area. A plan of the area to include the Council's site and adjacent owners is attached at **Appendix 2**.
- 3.6 If the Council is to be a member of a development group, a Legal Advisor would need to be appointed by the Group and a legal agreement will be required between the parties in the Group. A separate Legal Advisor will also be required to advise the Council in respect of its participation in the Group and the collaboration agreement and any legal issues affecting the Council as a result of its participation in a development partnership. Member agreement is sought in respect of these two appointments.
- 3.7 Following the implementation of the Council Housing Growth Programme, officers consider that all options should be explored recognising that these could range from the Council securing a capital receipt for the site or that it may be more beneficial in the context of the development opportunities for the Council to explore options that will increase the Council's housing stock.
- 3.8 It is fair to say that the detail of this scheme, given the numbers of interested parties, will need to development throughout the formulation of the collaboration

agreement and it is for this reason that delegated authority is being sought to enable each stage of the process to proceed without delay.

- 3.9 Members are advised that the negotiations in respect of the collaboration agreement will proceed in the context the Councils requirement to secure best value and in the context of the Councils wider Housing Growth Programme.

**Financial Implications**

- 3.8 There will be costs associated with the continued negotiation of the land deal and the provision of external legal advice obtained in connection with the Council's participation in a development partnership as described above. It is not possible to identify the exact cost at this stage in the negotiation but it is likely to be circa £25k. It is proposed that this cost is funded from General Fund balances and HRA reserves, shared in proportion to the land ownership.
- 3.9 The Council will ultimately receive either housing provision or a capital receipt in respect of this site. Again this is not identifiable at this stage in negotiations suffice to say that it will need to afford the requirements for the Council to achieve 'best value'.

**Legal Implications**

- 3.10 The Council is required to achieve "best value" in any of its property related transactions. It is considered that working in a development partnership offers the best opportunity for the Council and its potential partners to maximise the opportunity to deliver housing in the Webheath Strategic development site.
- 3.11 A full Report on Title for the Council-owned site has been undertaken by Legal Services. It indicates that the land is registered to the Council, and that the register of title is clear of any restrictions or covenants or other incumbrances affecting the Property.

**Service / Operational Implications**

- 3.12 None specifically arising from this report.

**Customer / Equalities and Diversity Implications**

- 3.13 There are none arising from this report.

**4. RISK MANAGEMENT**

- 4.1 The proposals outlined in this report are designed to ensure that there is minimal risk to the Council in participating in a development group for this site.

- 4.2 It is considered prudent to appoint an external Legal Advisor to advise the Council, to ensure that its interests are protected as a participant in the development project and for this reason member agreement to this appointment is sought.

**5. APPENDICES**

Appendix 1 – Plan of land ownership of Upper Norgrove House

Appendix 2 - Plan of land ownership, including the Council's site at Upper Norgrove

**6. BACKGROUND PAPERS**

None

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Appendix 1

Key

A – Housing Revenue Account

B – General Fund

