

HIGH PEAK BOROUGH COUNCIL

Report to Economy and Growth Select Committee

7 February 2019

TITLE:	Accelerated Housing Delivery Programme - soft market testing
EXECUTIVE COUNCILLOR:	Councillor - Tony Ashton Leader of the Council
CONTACT OFFICER:	Joanne Brooks - Regeneration Officer
WARDS INVOLVED:	(All Wards);

1. Reason for the Report

- 1.1 The purpose of this report is to seek Member's approval to take forward the marketing of council owned sites identified in the Accelerated Housing Delivery Programme (AHDP), by soft market testing these using the Homes England (HE) HCA procurement process.

2. Recommendation

It is recommended that Members:

- 2.1 Approve that the council enter into an agreement with HE to soft market test a number of council owned sites throughout the district as set out in 3.4 and 3.5 below.

3. Executive Summary

- 3.1 The Executive, at its meeting on the 26th April 2016, approved the Accelerated Housing Delivery Programme (ADHP) as a mechanism for the accelerated delivery of housing on council owned land. Many of these sites are at very preliminary stages of development and may require more creative solutions to deliver viable housing schemes.
- 3.2 Through working closely with Homes England, on a series of funding bids, they have offered to work with the council to use the HE procurement framework to soft market test a number of council owned sites.
- 3.3 The HE procurement framework offers a quick and efficient means to procure high quality, good value development related technical services, such as property and project management, engineering, planning and multidisciplinary services. It offers a more streamlined and direct access to development

services by using professionals that are already approved by the Homes England HCA Framework. Using the HE procurement framework allows the council to hand over the procurement of development services to HE to market test the delivery mechanisms for a number of sites.

3.4 In discussion with Homes England, it is recommended that a number of council sites be tested through an initial stage of soft market testing. This would involve appointing a local agent (through the HE framework) to liaise with local developers, house builders and registered providers. They will assess local market trends, deliverability, market interest, land values and potential joint venture or partnership working and recommend the best options for accelerating viable housing development on the following sites:

- Adderley Place, Glossop
- Paradise Street, Hadfield
- Melandra Rd, Gamesley
- Padfield Main Road, Padfield
- Granby Road B, Buxton

3.5 In addition to the above, HE can also offer, through their procurement framework, to assist in disposing of council owned sites that are more progressed. Using the HE framework the council can appoint a suitably qualified professional to market and identify a preferred developer. It is recommended that Market Street, Buxton be subject to this method of disposal. This site is further progressed than those set out above. The delivery mechanism for the site has already been established and an outline application will be submitted for a decision soon.

4. **How this report links to Corporate Priorities**

4.1 Working with the HE framework and soft market testing a series of sites, will accelerate housing delivery and therefore has the potential to deliver the following aims of the Corporate Plan:

- Help create a safer and healthier environment for our residents to live and work.
- Support economic development & regeneration.
- Protect and improve the environment.

5. **Alternative Options**

5.1 To not approve using the Homes England HCA procurement framework to soft market testing council owned sites. The council owns a number of sites allocated for housing. These sites may require a more imaginative mechanism for delivery of viable housing development. By not investigating these through soft market testing, the council will not be informed of the best delivery options and as such, the sites are likely to stall and delivery be delayed. Therefore, not taking action to develop them is not recommended.

5.2 To approve using the Homes England HCA procurement framework to soft market test council own sites. By soft market testing the various sites the

council can be informed of the best possible mechanisms to deliver viable housing development on council land and accelerate development. By using the HE framework the council will be gaining direct access to professionals and developers who are currently working in the housing market and can best advise on the viability and appetite for delivery mechanisms within the district. Therefore, this option is recommended.

6. **Implications**

6.1 Community Safety - (Crime and Disorder Act 1998)

No implications

6.2 Workforce

This project requires co-ordinating expertise from various teams. The following teams will contribute staff to the delivery of this project:

- Regeneration
- Property
- Planning applications
- Finance
- Legal

The regeneration team will co-ordinate the project with significant input from property services.

6.3 Equality and Diversity/Equality Impact Assessment

No implications at this stage.

6.4 Financial Considerations

A budget of £12,000 has been allocated from the existing regeneration – housing delivery budget.

6.5 Legal

The HE frameworks have been procured through fully compliant Official Journal of the European Union (OJEU). The use of the Homes England Technical and Property Frameworks is fully compliant to the Council Procurement Procedures Rules and to the Public Contract Regulations 2015, the Council(s) are registered and accepted as members to access the framework contracts under this agreement for either direct award commissions or further competition selective exercises.

6.6 Sustainability

The Local Plan and the Growth Strategy for High Peak are prepared with wider sustainability considerations. Bespoke delivery mechanisms for individual sites will accelerate housing delivery, deliver Local Plan policies and key priorities of the Growth Strategy.

- 6.7 Consultation
Council officers in respect of procurement and property services have been consulted on these proposals.
- 6.8 Risk Assessment
There is no significant risk identified and Council officers in respect of procurement and property services have been consulted on these proposals.

Dai Lerner
Executive Director (Place)

**Web Links and
Background Papers**

Location

Contact details

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7. Background Detail

- 7.1 The council's Accelerated Housing Delivery Programme identifies a number of council owned sites that are allocated for housing development within the High Peak Adopted Local Plan 2016. The programme developed possible masterplans, development appraisals and valuations for these sites.
- 7.2 In order to move this work forward, the council need to explore all possible delivery mechanisms to accelerate housing delivery on the sites. Each site is unique and there is not a 'one fit' solution for all. Sites have a range of different constraints, opportunities, location and physical parameters that can affect the viable delivery of housing.
- 7.3 By using the Homes England HCA framework the council can use a panel of local agents, builders, registered providers and developers to review each site and give viable scenarios for their individual delivery. This will assess local market trends, deliverability, market interest, land values and potential joint venture or partnership working.
- 7.4 By accelerating housing delivery on council owned land the council are taking positive steps to continue to meet their identified housing need and contribute towards the 5 year housing land supply (set out in the High Peak Local Plan). In addition, housing construction in the borough will in turn, help secure required affordable housing numbers and help deliver the economic benefits of development.
- 7.5 The council has already secured £2m of funding through the Homes England Housing Infrastructure Fund, which will unlock several allocated sites for housing along the A6 (Buxton) and a further £476,000 for the accelerated delivery of Granby Road B. Enabling the delivery of a further 675 units.

