

Decision Pathway – Report



PURPOSE: Key decision

MEETING: Cabinet

DATE: 09 March 2021

TITLE	Land disposals to Goram Homes to support housing delivery		
Ward(s)	<i>Citywide</i>		
Author: Emily Price	Job title: Senior Project Manager		
Cabinet lead: Mayor	Executive Director lead: Stephen Peacock		
Proposal origin: <i>BCC Staff</i>			
Decision maker: Mayor Decision forum: <i>Cabinet</i>			
Purpose of Report: To seek approval for a pipeline of sites that can be offered and transferred to Goram Homes and a deferred capital receipt accepted.			
Evidence Base:			
<ol style="list-style-type: none"> 1. Goram Homes Ltd was incorporated on 1 October 2018 following Cabinet approval to establish a wholly owned housing company in September 2018. This approval included the transfer of land at Romney House and the Baltic Wharf Caravan Club to Goram Homes. 2. Both sites are progressing with the selected joint venture partners - Vistry Group has submitted a Reserved Matters Planning Application for Romney House and Hill Group are developing their full planning application for the Baltic Wharf Caravan Club site. Subject to planning, the Council will transfer the land to Goram Homes in return for a Loan Notes equal to the market value of the land. 3. To support Goram Homes' business plan and ambition to be in contract with partners to deliver 2500 new homes by 2025, the Council should identify a pipeline of sites that can be developed by the company and its partners. 4. The Council's Housing Delivery Team regularly reviews council owned land to prioritise for housing delivery and identify the most appropriate delivery mechanism. The team has currently identified a pipeline of sites that can be delivered by Goram Homes. Appendix A sets out the sites that are earmarked for Goram Homes and will be offered and transferred subject to agreeing terms. 5. The development of the sites is subject to further due diligence, public engagement, planning and vacant possession. Work on this will be undertaken by BCC Housing Delivery Team, Goram Homes and/or its partners. 6. It is proposed that the Housing Delivery Board, chaired by the Executive Director: Growth and Regeneration will oversee the progress of the land transfers. 7. Cabinet will receive annual updates on the pipeline of sites and will approve any amendments. The Housing Delivery Team will continue to work with Goram Homes to identify additional sites for future approvals. 8. Under the Property Scheme of Delegations, the Director: Economy of Place undertakes the role of Corporate Landlord and as such has the ability to dispose of council owned land at market value. Therefore, this paper seeks to ratify this role in respect of transferring land to the Council's wholly owned company. 9. The principle of using loan notes and deferred capital receipts has been established in September 2018 Cabinet paper with regard to Romney House and the Baltic Wharf Caravan Club. This Cabinet Paper seeks approval for future pipeline sites for Goram Homes to be dealt with in the same way if that is desirable on a case by case basis. 			

Cabinet Member / Officer Recommendations:**Cabinet:**

1. Approves the indicative pipeline of sites (Appendix A) for transfer to Goram Homes Limited at the prevailing market value
2. Authorises the Executive Director: Growth & Regeneration in consultation with the Cabinet Member for Housing and the Director: Finance to approve the transfer of this pipeline of sites to Goram Homes Limited on terms to be agreed

Corporate Strategy alignment:

This will support delivery of the Fair & Inclusive Key Commitment: Make sure that 2,000 new homes – 800 affordable – are built in Bristol each year by 2020.

City Benefits:

The proposal will facilitate the supply of housing and affordable housing which will be of benefit to the whole city. The lack of affordable housing causes homelessness and the people who are owed a homelessness duty by the council are disproportionately young people, disabled people, Black Asian Minority Ethnic people and lone parents who are mainly women. Lack of accessible housing mainly affects older people and disabled people.

Consultation Details:

Goram Homes

All development sites will be subject to planning and relevant public consultation in the future.

Background Documents:

1. Cabinet Paper – Creation of the Housing Company – 4 September 2018
2. Cabinet Paper – Goram Homes Business Plan – 9 March 2021
3. Growth and Regeneration Directorate Scheme of Delegations - <https://www.bristol.gov.uk/documents/20182/3715438/Scheme+of+delegation+Growth+and+Regeneration>
4. Cabinet Paper – Housing Delivery Plan – March 2017
5. Bristol Local Plan

Revenue Cost	£0	Source of Revenue Funding	N/A
Capital Cost	£0	Source of Capital Funding	N/A
One off cost <input type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input checked="" type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:**1. Finance Advice:**

This report requests Cabinet approval that the Executive Director for Growth and Regeneration agrees a pipeline of 12 sites for offer and transfer to Goram Homes Ltd. Agreement of the financial terms for each respective site (which may include loan notes plus interest and deferred capital receipts) is to be delegated to the Director of Finance. Appendix A includes a list of these 12 indicative pipeline sites. The actual value of these sites will be determined based on an independent red book valuation at the appropriate time to ensure that the Council can achieve the optimum land value uplift. 7 of these sites will constitute 'Pipeline 2' per Goram's published Business Plan for 2021/22. A further 5 sites are planned for a subsequent pipeline tranche. An indicative split of the 12 sites is provided however, as development plans for these sites progress, it may be necessary to review which 7 of the 12 sites finally form Pipeline 2.

It should be noted that those sites listed, all General Fund, include Council storage depots, lease sites and car parks. As such they present differing degrees of complexity, occupancy and risk. Some of these sites have income streams attached to them. Consequently development or, indeed, cancellation of these sites once development has commenced could have a consequent adverse impact on the Council's General Fund for example through any

<p>resulting temporary or long-term loss of income. Such impact should be included in the detailed financial modelling and assessment of any business cases which follow for these sites' development. Linked to this decision, £10m has been set aside as part of the Budget 21/22 process (in an earmarked reserve) for Pipeline 2's 7 sites. No additional funding has been set aside for subsequent sites.</p>		
<p>Finance Business Partner: Jemma Prince, Finance Business Partner, 1 March 2021</p>		
<p>2. Legal Advice: Earmarking sites for disposal to Goram Homes raises no particular legal issues. It is noted that all disposals will be at market value so there should be no issues over complying with obligations in connection with achieving best consideration or public subsidy in connection with sales. As with previous cases any associated funding arrangements will need to be mindful of potential state aid/public subsidy requirements.</p>		
<p>Legal Team Leader: Eric Andrews; Team Leader; Legal Services 12.2.21</p>		
<p>3. Implications on IT: No anticipated impact on IT Services</p>		
<p>IT Team Leader: Simon Oliver, Director Digital Transformation 9.2.21</p>		
<p>4. HR Advice: There are no HR issues relating to this proposal.</p>		
<p>HR Partner: Chris Hather, HR Adviser 18.02.21</p>		
EDM Sign-off	Stephen Peacock	25.02.21
Cabinet Member sign-off	Mayor Rees	08.02.21
For Key Decisions - Mayor's Office sign-off	Mayor's Office	08.02.21

Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Details of consultation carried out - internal and external	NO
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	NO
Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of	YES
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information	NO
Appendix J – HR advice	NO
Appendix K – ICT	NO
Appendix L – Procurement	NO