

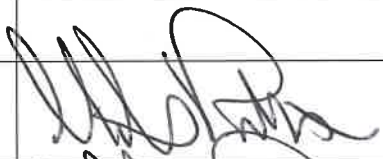
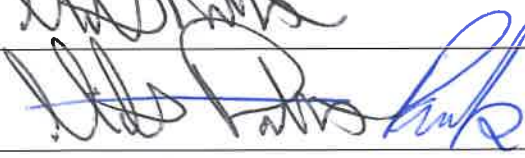

HYNDBURN BOROUGH COUNCIL


APPROVAL FOR URGENT EXECUTIVE (CABINET) DECISION

(Executive Procedure Rule B16)

Summary and Approvals

1. **Title of Report** **Exclusivity Agreement with Keepmoat**
2. **Report Author** **Mark Hoyle, Head of Regeneration & Housing**
3. **Purpose of Report** To seek Cabinet's approval to enter into an Exclusivity Agreement with Keepmoat Homes Limited for the disposal of the Council's interest in the following two sites for residential development:
 - Land south of Blackburn Road, Accrington known as Phoenix 1D (Appendix A)
 - Land at Howard Close, Accrington known as Spring Hill Village, Accrington (Appendix B)
4. **Decision requested** Approval to enter into an Exclusivity Agreement with Keepmoat Homes Limited for a maximum period of 6 months as set out in the recommendations of the report.
5. **Reason for Urgency** The existing Overarching Development Agreement (ODA) with Keepmoat ends on the 19th December 2019 and Keepmoat has indicated that they may withdraw their interest in the sites if they are not granted a further exclusivity period upon the expiry of the ODA, and there are no further Cabinet meetings being held before this date.
6. **Approvals of Members and Officers**

Designation	Signature to give Approval
<u>Elected Members</u>	
Leader of the Council	
Deputy Leader of the Council	
Portfolio Holder	
Mayor (to agree to exempt from call-in)	
<u>Officers</u>	
Chief Executive	

Deputy Chief Executive (only in the absence of the Chief Executive or if the Chief Executive is the decision taker)	
Monitoring Officer (only in the absence of the Chief Executive and Deputy Chief Executive or if one is absent and the other is the decision taker)	
Chief Officer/Head of Service	

7. **Date of Decision (when finally approved):** 18/12/19

REPORT TO:		Cabinet	
DATE:		15 th January 2020	
PORTFOLIO:		Councillor Loraine Cox, Housing & Regeneration	
REPORT AUTHOR:		Mark Hoyle, Head of Regeneration & Housing	
TITLE OF REPORT:		Exclusivity Agreement with Keepmoat	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	Options	Not applicable	
KEY DECISION:	No	If yes, date of publication:	

1. Purpose of Report

- 1.1 To seek Cabinet's approval to enter into an Exclusivity Agreement with Keepmoat Homes Limited for the disposal of the Council's interest in the following two sites:-
- Land south of Blackburn Road, Accrington known as Phoenix 1D (Appendix A)
 - Land at Howard Close, Accrington known as Spring Hill Village (Appendix B)

2. Recommendations

I recommend that Cabinet:

- 2.1 Grant authority to enter into an Exclusivity Agreement with Keepmoat Homes Limited for the two sites described in the report and for the reasons set out in this report.
- 2.2 Delegates authority to the Head of Regeneration and Housing to conclude the terms of the Exclusivity Agreement following consultation with the Portfolio Holder for Regeneration and Housing.
- 2.3 Authorises the Head of Regeneration and Housing to complete the Exclusivity Agreement following satisfactory completion of negotiations with Keepmoat Homes Limited.
- 2.4 Note that a further report will be brought to a future Cabinet meeting to allow Cabinet to consider the terms of disposal for the two sites described in the report.

3. **Reasons for Recommendations and Background**

- 3.1. Following a procurement exercise Keepmoat Limited entered into an Overarching Development Agreement (ODA) with the Council in December 2009. This Agreement expires on the 19th December 2019. The arrangement has been successful in securing the regeneration and development of 216 new modern, high quality, homes in West Accrington.

3.2 Two remaining sites that were subject to the ODA remain undeveloped as they are not considered financially viable. These are:

- Land south of Blackburn Road, Accrington known as Phoenix 1D (Appendix A)
- Land at Howard Close, Accrington known as Spring Hill Village (Appendix B)

The Council has an opportunity to access funding for land remediation and infrastructure works for the two sites through Homes England's Local Authority Accelerated Construction Fund which will be subject to legal terms and a separate report to Cabinet at a later date. Approval and access to this funding could make the two development parcels financially viable.

3.3 Keepmoat remain very keen to work with the Council in developing these two sites for housing subject to having the exclusive right to purchase the sites for a maximum period of 6 months, proposing to working at risk in carrying out site investigations and obtaining relevant planning consents.

3.4 With the ODA expiring on the 19th December 2019, Keepmoat need to know that they will have exclusivity to the sites to enable them to do work at risk and negotiate terms for purchasing both sites from the Council. The exclusivity agreement will last for 6 months and during this time the Council will be prohibited from discussing or agreeing the disposal of the sites with anyone other than Keepmoat Homes Limited.

3.5 Subject to negotiations with Keepmoat and successful application to the Homes England Local Authority Accelerated Construction funding, further reports will be brought to Cabinet to allow Cabinet to decide whether to accept Local Authority Accelerated Construction funding and whether to dispose of the two development sites to Keepmoat Homes Limited.

4. Alternative Options considered and Reasons for Rejection

4.1 The Council could consider not developing the two sites. However, this could be a missed opportunity to develop new, modern housing in the area, as well as leave the two sites undeveloped.

4.2 The Council could consider advertising the two sites on the open market. However, we consider that developers are unlikely to regard these sites as financially viable currently and therefore this is an opportunity to secure the two sites for development in conjunction with Keepmoat, subject to securing Homes England funding.

4.3 The Exclusivity Agreement will only be short term, and therefore if we are unable to secure favourable terms with Keepmoat, the Council will then be able to place the sites on the open market.

5. Consultations

5.1 Keepmoat recently carried out a consultation exercise for Phoenix 1D in advance of concluding a planning application. Keepmoat in early 2020 plan to carry out a similar exercise in advance of a planning application for the Spring Hill Village site.

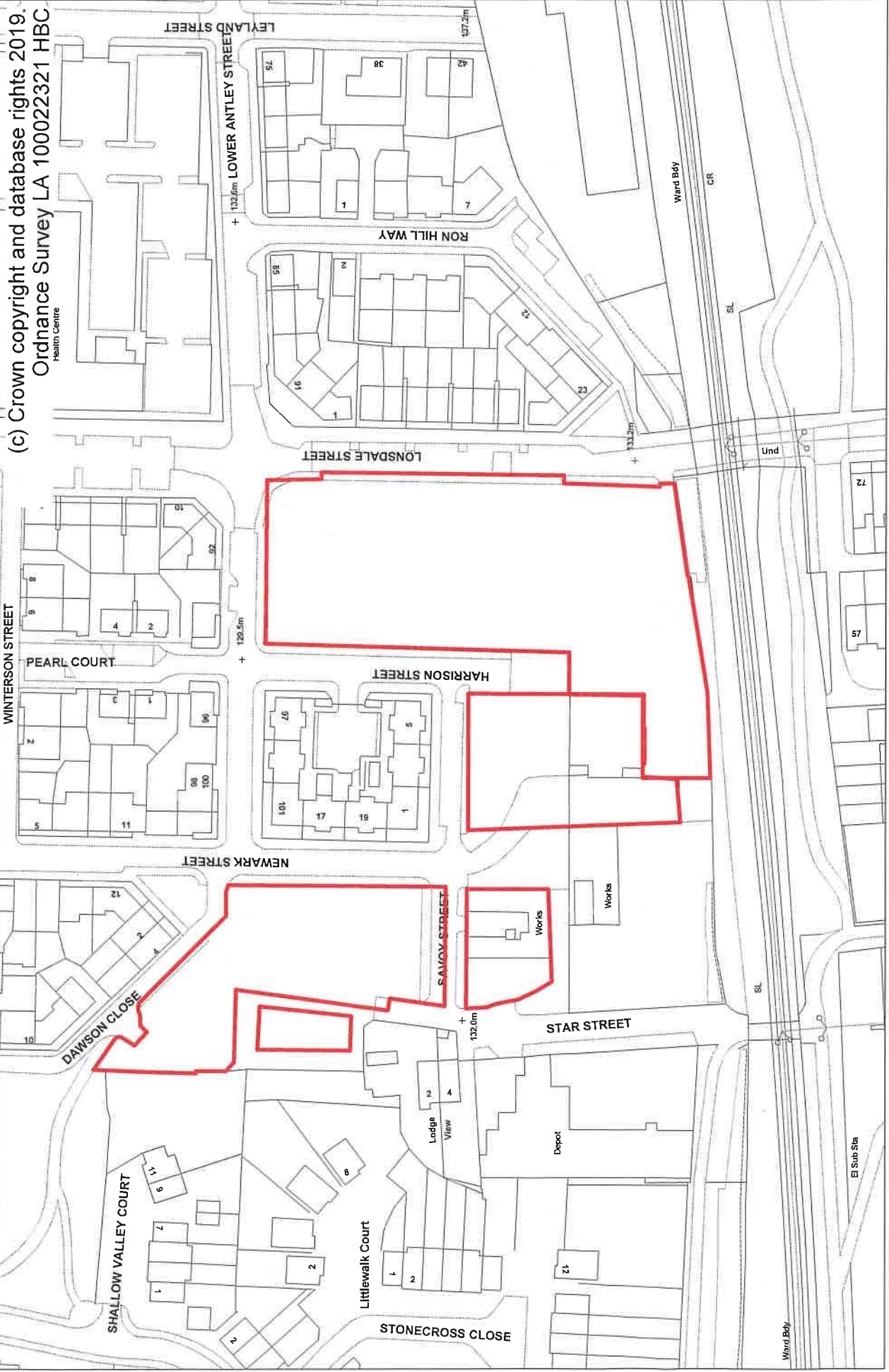
5.2 Both sites are allocated in the Local Plan for residential development.

6. Implications

Financial implications (including any future financial commitments for the Council)	There are no direct financial implications arising from the proposal to enter into the Exclusivity Agreement. The financial terms for disposing of the two sites will be subject to a further Cabinet report.
Legal and human rights implications	None identified at this stage but legal advice will be sought in respect of the terms of the draft exclusivity agreement.
Assessment of risk	The Exclusivity Agreement allows both parties time to negotiate the terms for the sale and purchase of both sites. Any risks arising from the proposed disposals of both sites will be subject to a further report to Cabinet. The exclusivity arrangement will be for a relatively short period.
Equality and diversity implications <i>A <u>Customer First Analysis</u> should be completed in relation to policy decisions and should be attached as an appendix to the report.</i>	There are no equality issues arising from this report.

7. Local Government (Access to Information) Act 1985:
List of Background Papers

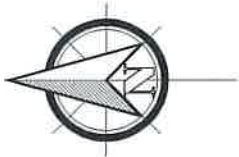
7.1 None.



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Ordnance Survey LA 100022321 HBC
Health Centre

Appendix B

- The copyright of this drawing belongs to Keepmoat Homes and should not be reproduced or used in any form without its express permission.
- Do not scale from this drawing - which is figured dimensions only. All dimensions to be checked on site in % to the tolerance of 1/100th.
- Any work shown on this drawing is to be completed in accordance with the specifications and standards set out in the contract documents and all the drawings and specifications referred to therein.
- Where any discrepancy is found to exist within or between drawings and/or documents it should be reported to the architect immediately.



- Site boundary approx. 1.049 acres
- Developable Area approx. 2.272 acres

Drawn By	Checked By	Date

Developable Area

Spring Hill
Accrington.

Drawn	Checked	Date
006	01	LS

1:1000 (D.P.) 23.03.2019

INFORMATION

