

Rother District Council

Report to:	Cabinet
Date:	6 September 2021
Title:	Disposal of Land at Blackfriars, Battle
Report of:	Ben Hook – Director of Place and Climate Change
Cabinet Member:	Councillor Dixon
Ward(s):	South Battle and Telham
Purpose of Report:	To facilitate development of housing at the Blackfriars, Battle site through Alliance Homes (Rother) Ltd
Decision Type:	Key
Officer Recommendation(s):	It be RESOLVED: That the Chief Executive be granted delegated authority to dispose of land at Blackfriars, Battle (as outlined at Appendix A) to Alliance Homes (Rother) Ltd on terms agreeable to him in consultation with the Cabinet Portfolio Holder for Finance and Performance Management

Introduction

1. The site known as Blackfriars has a long history, with the principal of development on this site being accepted for many years. The site is approximately 16 hectares (40 acres) in size. Rother District Council (RDC) owns just over 50% of the land. Three other parcels of land are currently in separate, private ownerships (see Appendix A).
2. As outlined previously (Minute CB18/10 refers), past attempts to develop Blackfriars have been unsuccessful, principally due to many constraints including complex ground conditions, land assembly and the need for costly road infrastructure.
3. In February 2018, the Council was informed that it had provisionally been awarded grant funding by the Ministry for Housing, Communities and Local Government (MHCLG) as part of Housing Infrastructure Fund (HIF) to finance the construction of the road infrastructure necessary to develop this site.
4. The Council's initial application for grant funding was based on a high-level cost estimate, informed by advice from consultants but subject to further due diligence as the project developed.
5. While working through the design process associated with the Council's outline planning application, it became clear that the viability gap on this site had increased, principally due to greater understanding of the site. Officers sought to negotiate a revised offer of grant funding, pushing to increase the

allocation to bridge the viability gap, and therefore increasing the deliverability of the site.

6. Homes England's panel increased the grant funding from £3.24m to £8.7m following acceptance of the Council's demonstration of uplift in costs. It should be noted, the increase in HIF and any grant funding relates specifically to the delivery and construction of the road infrastructure and cannot be used to inflate land values across the site.

Planning History and Land Acquisition

7. The site now has full planning permission for the delivery of 200 homes. Outline planning permission was granted in December 2020 (RR/2019/604/P) with full reserved matters approved in April 2021 (RR/2020/2307/P).
8. At the point of the initial planning application, the Council only owned circa 50% of the land included in the plan. The remaining land ownership was split between three other parties. As such permission was sought for a compulsory purchase order (CPO) to be undertaken (Minute CB19/86 refers) to ensure that the conditions of the HIF funding were met.
9. As part of the CPO process, officers continued to negotiate with the other landowners to acquire the land outside of the CPO process and thus removing opposition to this process. As of August 2021, all the plots are in the legal ownership of the Council, which is now able to consider how it will implement the planning permission.
10. The CPO process will continue to its conclusion, unopposed, to ensure the expunging of any residual rights held by others over the land and to deal with one small piece of unregistered land for which there is no forthcoming owner.
11. In addition to this process, the Council established a wholly owned local housing company, Alliance Homes (Rother) Ltd (AH) to accelerate housing development throughout the district and to deliver housing on council-owned land.

Disposal

12. It is intended that the housing land at this site will be sold to AH, who will procure a development partner to deliver the site. Even though AH is wholly owned by the Council, the land must still be sold in a manner that demonstrates good value.
13. Valuations, legal, and tax advice are all required prior to ascertaining the precise framework and structure through which the land will be disposed. However, the Council has invested significant sums in both the acquisition of the land and the development of the planning permission which remain unfunded costs at this stage.
14. Whilst the final value will be based on specialist advice it is expected that the minimum price paid by AH should not be less than the unfunded costs incurred by the Council in making this scheme 'build-ready'.

Conclusion

15. The Council established a local housing company to deliver sites within its ownership. The AH business case, approved at Full Council, identifies the Blackfriars Battle site as one of those to be brought forward.
16. Given the complexities of the sale it is recommended that authority be delegated to the Chief Executive to agree the terms of the sale between the Council and AH, in consultation with the Cabinet Portfolio Holder for Finance and Performance Management.

Financial Implications

17. The Council will receive a Capital receipt for the sale of this land that can be invested into the Capital Programme or offset against future Public Works Loan Board borrowing.

Legal Implications

18. The disposal is complex given the relationship between the vendor and vendee and therefore specialist legal and tax advice is required to ensure compliance.

Alignment to Environment Strategy

19. The proposed development at Blackfriars will be of a high environmental standard targeting a 31% reduction in CO2 over current Part L requirements. Four homes will be built to Passivhaus principles, three Earth sheltered homes will be provided, and a fabric-first approach will be adopted to lower fuel consumption and running costs. These are all in alignment to the Environment Strategy.

Other Implications	Applies?	Other Implications	Applies?
Human Rights	No	Equalities and Diversity	No
Crime and Disorder	No	Consultation	No
Environmental	Yes	Access to Information	No
Sustainability	Yes	Exempt from publication	No
Risk Management	No		

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Appendices:	Appendix A - Site Plan
Relevant Previous Minutes:	N/A
Background Papers:	N/A
Reference Documents:	N/A