

Report to CABINET

Fitton Hill– Selection of Developer Partner

Portfolio Holder:

Cllr Hannah Roberts, Cabinet Member for Housing

Officer Contact: Emma Barton, Director of Economy

Report Author: Ben Hill

Ext. 5261

23rd March 2020

Reason for Decision

To report the outcome of the selection process for a developer partner for vacant land at Fitton Hill and recommend the selection of Bidder A as the preferred developer to work in partnership with Oldham Council and ForViva.

Executive Summary

'**Creating a Better Place**' incorporates significant programmes of work that have been progressed over the past eighteen months in order to set out a comprehensive vision and strategic framework for the borough. These include the:

- Updated vision for Oldham Town Centre;
- Housing Strategy 2019; and
- Updated Medium Term Property Strategy.

Creating a Better Place focuses on building more homes for our residents, creating new jobs through town centre regeneration, and ensuring Oldham is a great place to visit with lots of family friendly and accessible places to go.

The proposed development is in accordance with the strategic framework to **Create a Better Place** approved by Cabinet in January 2020 and is also in accordance with the Housing Strategy adopted in 2019.

Recommendations

Cabinet is recommended to:

1. A contract to be awarded to Bidder A as the preferred bidder for the development of Fitton Hill.
2. That the finalisation of the legal documentation to be delegated to the Leader of the Council in consultation with the Director of Economy and Skills and the Director of Legal Services or his nominated representative to be authorised to seal the development agreement and any incidental and ancillary documentation referred to in this report and/or required to give effect to the recommendations in this report.
3. The land is sold on a freehold basis.
4. To support the partnership with ForViva who also own vacant land in the area that will jointly be developed at the same time.

Redevelopment of Fitton Hill**1 Background**

- 1.1 Fitton Hill was transferred from Oldham Council to Villages Housing Association (now known as ForViva) in the late 1990's. Built in the 1950's and 60's, the estate consists of around 2,000 properties. Villages manage approximately 900 general needs properties (mostly 2 and 3 bed houses) and also have 143 sheltered bungalows. The remaining 950 properties are either stock that have been bought through the Right to Buy, have been built separately and are owner occupied, or are owned by other Registered Providers.
- 1.2 A new Neighbourhood Centre was built in 2013 and houses a library, youth centre and other community facilities. ForViva have an on-going investment programme into the existing the stock and also run a range of training and regeneration initiatives. However, the estate has issues including a lack of variety of property type and tenure and poor retail provision.
- 1.3 Oldham Council and the ForViva Group propose to work together to ensure that the Fitton Hill neighbourhood is improved to benefit both existing residents and newcomers and thereby contribute substantially to the wider sustainability of the area.
- 1.4 Both parties own significant land that currently lies vacant and in need of redevelopment. The respective land ownerships can be seen at Appendix 1 and could accommodate around 350 to 400 new homes. The respective land ownerships are 8.43 hectares (53.3%) with Oldham Council and 7.38 hectares (46.7%) with ForViva.
- 1.5 In recognition of joint objectives around providing a broader tenure mix and in helping to deliver the comprehensive regeneration of the area, Oldham Council and ForViva propose to pool their respective landholdings. This approach was approved by the Lead Member for Housing in November 2018. The joint objective is to ensure the delivery of a comprehensive development solution that will enhance the neighbourhood, improve housing choice and deliver a sustainable long-term outcome.
- 1.6 The proposed disposal is also in accordance with Oldham's Housing Strategy, approved by full Council in July 2019 and sets out the councils aims to provide an attractive housing offer and help deliver more new homes providing greater choice in type, size, tenure and affordability.

2 Current Position

- 2.1 In order to impose positive development obligations, including design quality and to prevent land banking, the council has procured the developer using the Homes England's Developer Partners Panel 3 (DPP3) - a pre-qualified European Union procurement legislation procedure. DPP3 contains 35 major housebuilders and contractors who operate in the North West region.
- 2.2 An Expression of Interest Document (EoI) was published in December 2018 and 8 companies returned bids
- 2.3 Following the expression of interest, a sifting brief was issued to all companies to enable the council and ForViva to select 5 or 6 companies through to the Invite to Tender Stage.

- 2.4 After careful evaluation and consideration of the responses, officers from Strategic Regeneration, Procurement and ForViva agreed that the 5 companies should be invited to the Invite to Tender stage (ITT) – where developers are required to submit designs and a financial offer.
- 2.5 Three developers returned tenders and as part of the evaluation and clarification process further information on both the financial and design elements of the bid was received.
- 2.6 Evaluation of the ITT enables the Council to access the offers for the specific opportunity. As agreed with the Lead Member for Housing in November 2018, bids are assessed against a combination of quality and price criteria to ensure that non-financial aspects of an offer can be given full recognition within any bid.
- 2.7 The summary results of the submissions are outlined below:

	Bidder A	Bidder B	Bidder C
<i>Number of Homes</i>	363	323	391
<i>House Types</i>	24 x 1 bed appts 74 x 2 bed houses 240 x 3 bed houses 24 x 4 bed houses	42 x 2 bed houses 223 x 3 beds houses 58 x 4 bed houses	10 x 1 bed appts 48 x 2 bed houses 169 x 3 bed houses 123 x 4 bed houses
<i>Tenure</i>	Mix of Private for Sale, Private Rent and Affordable Rent.	Mix of Private for Sale and Affordable Rent.	Mix of Private Sale, Private Rent and Affordable Rent.
<i>Programme</i>	Start on site within 6 months of selection, Completion within 5 years with 50% of homes completed in 19 months.	Start on site within 6 months of selection completion within 5 years.	Start on site within 12 months of selection with completion within 6 years.
<i>Local Labour/ Apprenticeships/ Training</i>	10 full time training places. 30 months work experience placements offered. Partnering with Get Oldham Working.	Minimum of 24 apprenticeships. Range of other initiatives including Kickstart Programme with 12 participants per year.	8 full time apprenticeships and continued support for 20 existing apprenticeships. Working with Upturn.
<i>Local Interventions and Community Benefit</i>	£10,000 to set up a Community Development Fund.	Investment of £20,000 and will support a range of initiatives including healthy eating, fitness, loneliness.	Commitment of £100,000 for greenspace and £87,000 for community fund.

All proposals are NPSS Space Standards for Homes compliant and will achieve Building for Life and Secure by Design status.

- 2.8 Site Investigation reports were provided as part of the tender process but all bidders have stated that they require specific investigations to their design. All bidders reserved the right to make further deductions after they had undertaken their own site investigations, but these will be accessed independently to ensure any deductions are reasonable and accurate.

2.9 Regarding the sharing of the Financial Offer between the Council and ForViva, it is proposed that an independent Quantity Surveyor will be jointly appointed to agree the split of the land value taking into account the tenure of homes, the location of the public open space and the relative value of land in each ownership. All costs incurred in setting up be split between equally between the Council and ForViva.

2.10 After careful evaluation by two Officers from Regeneration, one from Procurement against the above criteria Countryside were ranked as the best submission.

3 Options/Alternatives

3.1 Option 1 – Appoint Bidder A to develop the site as proposed within their bid. This would enable 363 high quality new homes to be built in a mix of tenures and a capital receipt that would be split between the Council and ForViva.

3.2 Option 2 - Do not appoint. The site could be remarketed. This would result in lengthy and costly delays with no guarantee that a better offer would be received. It would also result in reputational damage with developers who have invested time and resources in the bidding process.

3.3 Option 3 – Do nothing. The brownfield sites would remain vacant and continue to be a maintenance liability to the Council and ForViva.

3.4 Option 4 – Appoint Bidder B or Bidder C. Whilst both bids were satisfactory, neither scored as highly as Bidder A when accessed against the pre-agreed criteria.

4 Preferred Option

4.1 The preferred option (Option 1) is for Cabinet to approve the recommendations as outlined above and appoint Bidder A as the preferred developer partner.

5 Consultation

5.1 Local Members have been briefed on in November 2018, February 2019 and January 2020 and are supportive of the proposals. (Ben Hill)

6 Financial Implications

6.1 Cabinet are asked to note the contents of the report only, with a further, restricted report due for consideration under Part B of the agenda.

7 Legal Services Comments

7.1 Cabinet are asked to note the contents of the report only, with a further, restricted report due for consideration under Part B of the agenda.

8. Co-operative Agenda

8.1 The proposals embrace the Council's co-operative agenda will ensure that the aims, objectives and cooperative ethos of the Council are enhanced. When delivered they will help create an ambitious and thriving community where people are proud to live, work, visit and invest. (Ben Hill)

9 Human Resources Comments

9.1 None arising from this report.

10 **Risk Assessments**

10.1 Cabinet are asked to note the contents of the report only, with a further, restricted report due for consideration under Part B of the agenda.

11 **IT Implications**

11.1 None arising from this report.

12 **Property Implications**

12.1 The property implications have been covered in the main body of this report.

13 **Procurement Implications**

13.1 Cabinet are asked to note the contents of the report only, with a further, restricted report due for consideration under Part B of the agenda.

14 **Environmental and Health & Safety Implications**

14.1 The proposals will bring vacant land back into use which have been vacant and subject to fly tipping. (Ben Hill)

15 **Equality, community cohesion and crime implications**

15.1 The development will achieve Secure by Design Accreditation. The affordable homes will be let to people in housing need and allocated to those on Council's Housing Register. (Ben Hill)

16 **Equality Impact Assessment Completed?**

16.1 No.

17 **Key Decision**

17.1 Yes. Forward Plan Ref ECEN-19-19.

19 **Background Papers**

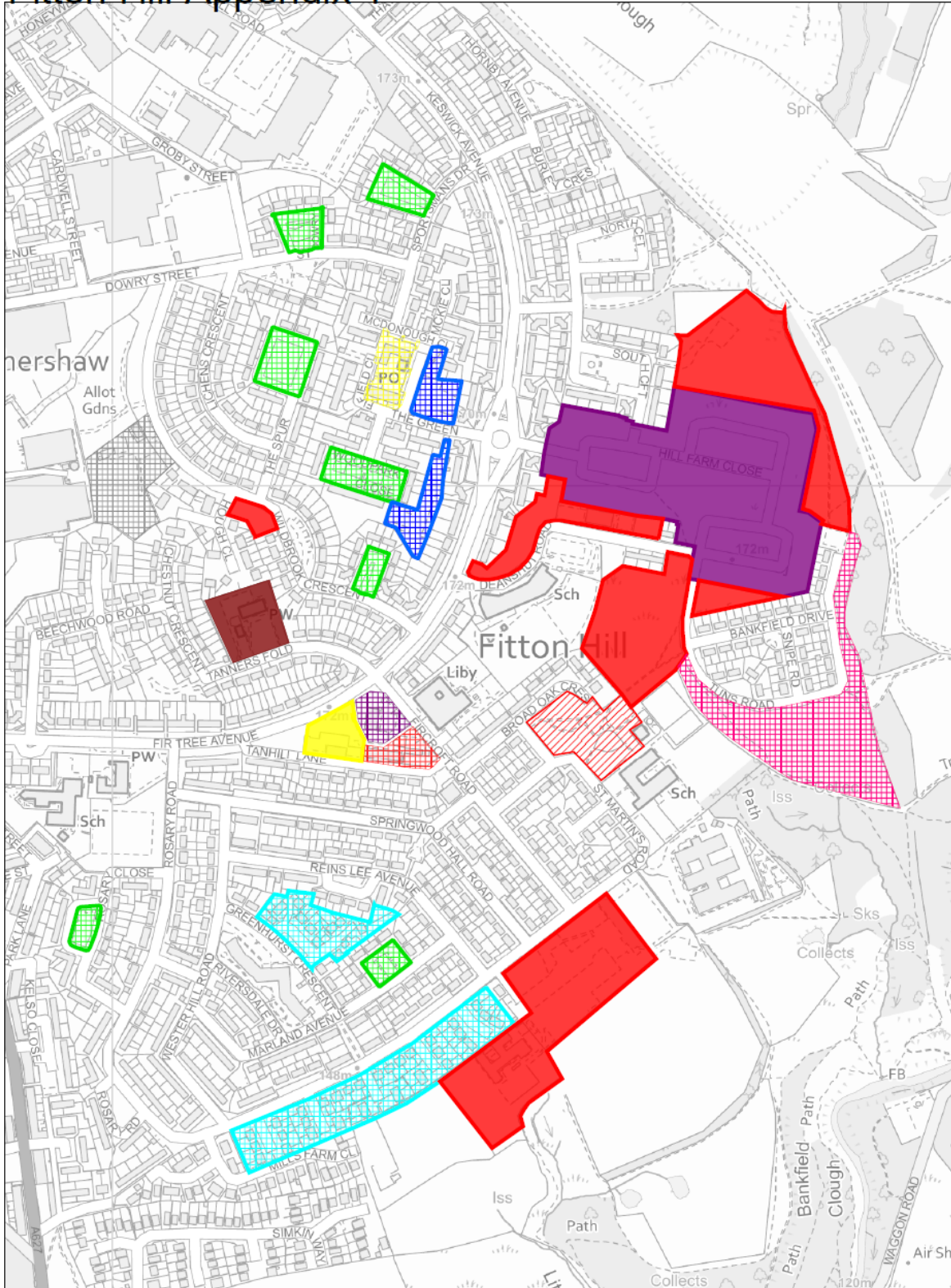
19.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

19.2 File Ref : Fitton Hill/ ForViva
Name of File : Fitton Hill
Records held in Civic Centre, Oldham
Officer Name : Ben Hill
Contact No : 0161 770 5261

20 **Appendices**

20.1 1: Land Ownership Plan

Fitton Hill Appendix 1



Drawn by:	JW
Division:	
Drawing no:	
Date: 14.01.20	Scale: 1:4000 @A3

Oldham Council
Civic Centre
West Street
Oldham
OL1 1UH

- ForViva land for residential development
- OMBC Land for residential development
- New dental surgery
- Private site coming to the market
- Land already developed by third party
- OMBC shopping parade
- Land to be developed by third party
- Allotments-possible future development opportunity
- ForViva owned green spaces for improvement
- ForViva offices
- Greenbelt-possible future development opportunity
- OMBC Owned POS

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