

Report to CABINET

Selection of preferred developer for Southlink

Portfolio Holder:

Cllr E Taylor – Cabinet Member for Housing and Licensing

Officer Contact: Paul Clifford – Director of Economy

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Reason for Decision

To appoint Vistry Partnership to develop land at Southlink following the completion of a competitive land sale process. Vistry will deliver 146 affordable homes, including 32 at Social Rent, with all homes constructed to the low carbon 'Future Homes Standard'.

Any proceeds from the land sale will be shared with TfGM based on percentage of land ownership of the site – 54.2% (OMBC) and 45.8% (TfGM).

Recommendations

To select Vistry Partnership for the purchase land at Southlink.

Selection of Preferred Developer for Southlink

1 Background

- 1.1 In March 2022 Cabinet approved for the Council to carry out a competitive land sale of vacant land at Southlink jointly with land owned by Transport for Greater Manchester (TfGM) to a developer/house builder. The Council own 54.2% of site and TfGM 45.8%. Any capital receipt received for the land would be split on this basis.
- 1.2 A competitive land sale exercise was completed to secure a developer and Tilia Homes were appointed in August 2022. In June 2023 Tilia withdrew from the sale.
- 1.3 In September 2023, Corporate Property Board approved that the site be re-marketed as a land disposal with a greater emphasis placed on deliverability and conditionality. This report provides the outcome to this exercise.

2 Current Position

- 2.1 The disposal was managed by CBRE via a competitive land sale utilising a two-stage formal tender process. First round bids were invited for the 20th June 2024 on a "Subject-to-Planning". To support the disposal a series of technical reports which detailed site-specific constraints and shaped an indicative masterplan. This provided bidders with a degree of certainty on site capacity to reduce the likelihood of caveats being attached to offers.
- 2.2 Sales particulars, approved by Oldham Council and TfGM, which included details of the property, planning and development brief and disposal process were provided. The particulars were circulated amongst CBRE's database of active developers and investors in the Northwest and Nationwide, as well as being posted on the project teams' LinkedIn profiles.
- 2.3 The first-round submissions were received from 4 developers.
- 2.4 After Round 1, CBRE recommended not to proceed with developer 1 as they did not have a sufficient covenant strength via the SPV to deliver a scheme of this scale.
- 2.5 Two further rounds of clarifications were conducted. CBRE recommend that the sale of the asset progresses with **Vistry**
- 2.7 All homes will be built to the Government's Future Homes Standard that will ensure:
 - Carbon emissions are reduced by 75-80% compared to current standards, contributing significantly to reaching net-zero goals.
 - Low-carbon heating systems like heat pumps, ensuring homes are both energy-efficient and environmentally friendly are utilised.
 - Focusing on fabric efficiency by improving insulation, minimising heat loss, and creating well-sealed structures.

Vistry's proposal provides 146 affordable homes in the following tenure split:

- Social Rent – 32 units (22%)
- Affordable Rent – 77 units (53%)

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- Shared Ownership – 37 units (25%)

3 **Options/Alternatives**

Option 1 – Select Vistry.

Whilst all bidders proposed a fully affordable scheme, Vistry were the only bid to provide certainty of an RP Partner. The scheme will provide a high-quality low carbon housing scheme including a range of affordable tenures including Social/Truly Affordable Rented homes. TfGM have verbally confirmed that they will seek relevant approvals on this basis.

Option 2 – Remarket the site.

Given the site has been marketed twice already, it is very unlikely that a more advantageous bid to Vistry would be received.

4 **Preferred Option**

4.1 Option 1 is the preferred option.

5 **Consultation**

5.1 Ward Members have been consulted and are supportive of this disposal.

6 **Financial Implications**

6.1 Contained within the Part B Report.

7 **Legal Implications**

7.1 Contained within the Part B Report.

8 **Equality Impact, including implications for Children and Young People**



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8.1 Yes

9 **Key Decision**

9.1 Yes

10 **Key Decision Reference**

11.1 HL-05-24.

12 **Background Papers**

12.1 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 :

File Ref :

Name of File : [insert]

Records held in [insert] Department, [insert address]

Officer Name : [insert]

Contact No : [insert]

13 **Appendices**

13.1 Vistry's proposed scheme.



Enclosure 2
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