


Project Brief	
<p><i>The Project Brief is the first thing to do. It should be completed before any activity of any sort takes place. This is because the Brief is the document that subject to authorisation triggers the development of the Business Case.</i></p>	
	
Project Name	Making our own Assets Work
Project Reference (if applicable)	TBC
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Date Approved	TBC
Approved By	TBC

Background

On the 4th January 2018 the Council's Executive approved a £22.2 million Affordable Housing Development Programme to provide 207 affordable homes by March 2020 for the Council and Selby and District Housing Trust (funded primarily by SDC loans).

The Programme will be delivered in the following ways:

1. New build homes on small Council owned sites – primarily former garage sites
2. New build homes on larger Council owned sites such as Portholme Road and Bondgate
3. The acquisition of s106 and 'off-the-shelf' homes

This work will contribute towards overall supply of affordable housing in the District but there is a wider opportunity for the Council to deliver market housing on land in its ownership.

Scope

This project seeks investment to support the development of market led housing on the Council owned sites at Portholme Road, Selby; Bondgate, Selby and Edgerton lodge, Tadcaster and to undertake early feasibility work to understand the development potential of the Burn airfield site in the longer term.

Project Objectives

The objective of the project is to:

- Accelerate the delivery of housing on Council owned land
- Exploit opportunities to broaden housing choice for residents by developing market rent and market sale housing on the Portholme Road, Bondgate and Edgerton Lodge sites
- Explore available delivery mechanisms with a view to maximising commercial returns on the disposal of Council owned sites
- Undertake feasibility work to understand the potential of the Burn Airfield site to contribute towards the housing and economic growth agendas in the longer term.

Benefits

The feasibility and due diligence work that forms part of this project will considerably minimise risk and maximise returns to the Council when it develops its own land or disposes of sites on the open market.

Over the next 6 years the Portholme Road, Bondgate and Edgerton Lodge sites are expected to generate over £1 million revenue for the Council from capital receipts, New Homes Bonus and Council tax revenue, subject to schemes starting on site by 2020/21.

The development of these sites is expected to attract private sector investment of over £25 million and will make a considerable contribution towards the Council's housing targets as well as providing opportunities for construction training and the engagement of the SME housebuilding sector.

The feasibility work on the Burn Airfield site will establish a solid foundation for exploring the future potential of the site for development.

Project Approach / Delivery Options

It is prudent to undertake appropriate due diligence and feasibility work prior to entering into contract with parties that will develop the sites either in partnership with the Council or in their own right. This will ensure that development risks are identified at an early stage and pre-application discussions on the design of schemes will save cost and time in delivering market led housing schemes.

Potential match funding from Homes England, the York, North Yorkshire and East riding LEP and the West Yorkshire Combined Authority will be explored to maximise the Council's investment in due diligence/feasibility work on these sites.

Gaining an understanding of potential housing delivery mechanisms will significantly influence how the Council can maximise commercial returns on developing market owned and rented housing on its own land.

Project Timescales (Milestones)

We are seeking funding to cover the period from April 2018 to March 2020.

Project Resources (people and money)

Funding of £250,000 over two years based on the following:

- Due diligence work to support the disposal of the Portholme Road, Edgerton Lodge and Bondgate sites - £120,000 2018/19 and £40,000 2019/20
- Legal costs associated with the disposal of the Portholme Road, Edgerton Lodge and Bondgate sites - £40,000 2019/20
- Due diligence/feasibility work associated with the Burn Airfield site - £20,000 in 2018/19 and £30,000 in 2019/20

This will enable the Portholme Road and Edgerton Lodge sites to be brought to the market in 2018 with a view to commencing development in 2019/20 and for the Bondgate site to be brought to the market prior to March 2019.

Funding

It is anticipated that some of the identified costs will be funded by Homes England's Accelerated Construction Programme.

Risks / Issues

Delivery/Financial risk

- **Sites fail to come forward for development** – There is a risk that the costs associated with this project could be abortive if the sites remain undeveloped. The purpose of the due diligence and feasibility work is to assess potential delivery mechanisms and undertake soft market testing to minimise the risk of a lack of interest in the sites.
- **Cost escalation** – By undertaking due diligence work at an early stage, abnormal development costs will be identified and priced into contracts from the outset. This will minimise the risk of 'unknown costs' emerging once schemes start on site. Similarly appropriate due diligence on Legal Title will ensure that issues associated with boundaries/rights of way are dealt with before sites are marketed or developed.

- **Lack of support for the development of Burn airfield.** – The purpose of this project is to undertake high level initial feasibility work on the potential of the Burn airfield site to contribute towards the District's growth as a future strategic development site in the next plan period.
It is not the intention to develop proposals for this site as part of this project.

Links and Dependencies

This project directly supports the Council's corporate plan priorities of making the District a great place to do business, enjoy life and delivering great value for adjacent communities.

The development of market housing on the Council's land will contribute towards the supply of housing in the District and help to broaden the tenure mix available.

The programme will also support the creation of construction training opportunities that are being developed with Selby College.