

OFFICER DELEGATED DECISION FORM

Subject of decision:
Agreement to indemnify Thirteen for 50% of design costs to secure a planning consent for Gresham, should the scheme prove to be financially unviable.
Text of decision:
<p>On the 27th August 2019, the Executive approved the disposal of the Gresham housing site to Thirteen Housing Group on a 999 year lease to facilitate the development of 179 units of high quality affordable housing.</p> <p>Thirteen have subsequently appointed a Design Team, carried out site investigation work, held pre-application discussions with the Council's Development Control team, and have consulted with the local community on their proposals for the area.</p> <p>However, the Covid-19 pandemic has impacted upon the house building industry with Thirteen reporting a reduction in the book value of properties and prospective rents, and inflation in construction build costs.</p> <p>It has, therefore, been agreed that, should the circumstances arise where it can be evidenced by Thirteen that the scheme is financially unviable, the Council would indemnify Thirteen for 50% of the costs incurred to date and up to securing a planning consent, up to a maximum cost to MBC of £132,500.</p> <p>Under the terms of the agreement the Council would receive the Intellectual Property rights (IP) to the architectural and consultant work undertaken by Thirteen.</p>
Declarations of Interest by any member or relevant local government body:
None
Date of decision:
18 th May 2020.
Reason for decision:
Without this intervention by the Council there is a clear risk that the development of the site will be significantly delayed, if not cancelled, and although there is a potential cost to the Council, there is the potential that the IP of the Thirteen proposal can be used to mobilise construction on the site, which will achieve the regeneration aspirations for the site and generate Council Tax income in an acceptable timescale.

Service area:
Regeneration.
Name of officer making decision:
Richard Horniman – Director of Regeneration.
Other options considered (if any):
None.
Has an Impact Assessment been completed Yes/No – if yes please attach to the decision.
No.
List of background papers (do not list if contain exempt/confidential information)
Executive Report, Long-term lease of Gresham housing site to Thirteen Housing Group, 27 th August 2019.

