



NORWICH City Council

Committee name: Cabinet

Committee date: 14/12/2022

Report title: Development Pipeline

Portfolio: Councillor Stonard, Cabinet member for inclusive and sustainable growth

Report from: Executive director of development and city services

Wards: All wards

OPEN PUBLIC ITEM

KEY DECISION

Purpose

To provide an update on development pipeline work.

Recommendation:

To endorse the initial work on a development pipeline as set out in the exempt appendix and to approve the identified sites to be taken forward for detailed feasibility work.

Policy framework

The council has five corporate priorities, which are:

- People live independently and well in a diverse and safe city.
- Norwich is a sustainable and healthy city.
- Norwich has the infrastructure and housing it needs to be a successful city.
- The city has an inclusive economy in which residents have equal opportunity to flourish.
- Norwich City Council is in good shape to serve the city.

This report meets the 'Norwich has the infrastructure and housing it needs to be a successful city' corporate priority

This report addresses the 'Review potential development sites to improve their management and develop a pipeline of potential housing development sites' priority or action in the Corporate Plan

This report helps to meet the strategic asset management framework and the

housing strategy, adopted policy of the Council.

This report helps to meet the housing, regeneration and development objective of the COVID-19 Recovery Plan

Development Pipeline

1. The Corporate Plan 2022-2026 identified a key action to review potential council-owned development sites, including surface car parks, to improve their management, to develop a pipeline of potential housing development opportunities, and unlock revenue opportunities.
2. This action is underpinned by the covid recovery strategy and the strategic asset management framework of the council which seeks to make the most of its own land holdings and financial capability to maximise rates of housing delivery through exemplary homes that meet the needs of the people of Norwich and develop a pipeline of sites that can be delivered over the medium to long-term.
3. In September 2022 the council carried out a procurement exercise to provide property consultancy advice on an initial list of 15 potential development sites, with Bidwells being the successful bidder.
4. This work was split into 2 phases, with phase 1 providing:
 - a. A market commentary on potential uses for sites
 - b. A review of existing information including existing uses, planning history and relevant planning policy / allocation of the site.
 - c. An initial assessment of the optimum use of the site
 - d. An initial valuation of the land if it were to be disposed.
5. Phase 2 work will include:
 - a. Detailed feasibility work on the potential of the site
 - b. Design work up to and including submission of a planning application (RIBA stage 3)
 - c. Full Red Book Valuations of sites
6. Phase 1 work has now been completed and the report is provided in the exempt appendix to this report. The information is commercially sensitive so at this time the sites will remain confidential, but each site will be subject to further cabinet reports to determine the future use or disposal.
7. The advice received from Bidwells shows a potential for delivery of approx. 1800 new homes across the sites along with some commercial development.
8. Bidwells have prioritised sites for further detailed feasibility work.

Consultation

9. The relevant portfolio holders have been briefed on the phase 1 work.
10. At this time no public consultation has been carried out but individual sites will become subject to consultation through the planning process should they be taken forward for development.

Implications

Financial and resources

11. Any decision to reduce or increase resources or alternatively increase income must be made within the context of the council's stated priorities, as set out in its Corporate Plan 2022-26 and budget.
12. The cost of the feasibility work, both phase 1 and phase 2, is funded from the approved site feasibility budget, which has recently been re-profiled for spend in both this and next financial year.
13. Following more detailed work some sites may be suitable for development through a range of delivery methods including those led by the council. Any development by the council will be subject to detailed business case and further cabinet approval should this be the preferred option for a particular site. Any disposals via open sale or other development methods will also be subject to Cabinet approval.
14. Based upon the initial advice some sites would be more suited to disposal to the wider market, and this could generate significant capital receipts to the council. Some properties are generating an income and there should also be an underpinning strategy to understand the extent to which that revenue stream could be replaced to avoid undermining the council's revenue budget. There are also likely to be a range of capital and revenue costs associated with individual properties.
15. When sites are brought forward it is therefore important the total financial impact is understood and taken into account as part of the decision making processes.

Legal

16. There are no legal implications arising from this phase 1 work
17. Following further detailed feasibility work the council, by virtue of section 123 of the Local Government Act 1972 the city council has the necessary statutory powers to dispose of its land. This section also states that on a disposal, the council are under a statutory obligation to obtain the best consideration that can reasonably be obtained for the land.
18. Achieving best consideration will also ensure that the council is not caught by the European Commission's State Aid rules.

Statutory considerations

Consideration	Details of any implications and proposed measures to address:
Equality and diversity	There are no direct impacts from this report
Health, social and economic impact	There are no direct impacts from this report

Consideration	Details of any implications and proposed measures to address:
Crime and disorder	There are no direct impacts from this report
Children and adults safeguarding	There are no direct impacts from this report
Environmental impact	There are no direct impacts from this report

Risk management

Risk	Consequence	Controls required
A change in the level of market interest. Rising construction costs in particular could affect the market.	Reduced capital receipts	Bidwells have provided a market commentary for the various uses of land. Further updates to this work at the detailed business case stage will be required to ensure the risks are known and managed.
Reputational risk from development or disposal of land	Impact on reputation of council	Each site will be subject to further cabinet approval and any necessary public consultation.

Other options considered

19. This report is to endorse initial phase 1 work on the development pipeline and therefore no other options were considered.

Reasons for the decision/recommendation

20. Cabinet is asked to note the progress to date and to approve the sites identified in the exempt appendix to proceed to phase 2. This will allow further detailed feasibility work can be carried out and inform further reports to cabinet to recommend the preferred option on individual sites.

Background papers: None

Appendices: Exempt

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