

WEST NORTHAMPTONSHIRE COUNCIL CABINET

11 JUNE 2024

CABINET MEMBER FOR HOUSING – COUNCILLOR ROSIE HERRING

Report Title	Avenue Campus – Disposal of Bassett-Lowke Building
Report Authors	Jo Barrett, Head of Housing Strategy and Partnerships Kevin Langley, Head of Major Projects and Regeneration

List of Approvers

Monitoring Officer	Catherine Whitehead	22/05/24
Chief Finance Officer (S.151)	Martin Henry	22/05/24
Other Director	Jane Carr – Director of Communities and Opportunities	20/05/24
Communications Lead/Head of Communications	Holly Skelton	20/05/24

List of Appendices

None

1. Purpose of Report

- 1.1. This report seeks approval from Cabinet to dispose of the Bassett-Lowke building and associated land on the site that is part of the Avenue Campus site, St Georges Avenue, Northampton.

2. Executive Summary

- 2.1 In June 2021, West Northamptonshire Council's Cabinet approved the acquisition of the Avenue Campus site from the University of Northampton. The site benefited from a hybrid planning permission for up to 170 homes at the time of its purchase.
- 2.2 Northamptonshire Partnership Homes (NPH) subsequently secured a reserved matters permission in October 2022 which gave consent for 162 homes. NPH were seeking to maximise the amount of affordable housing on the scheme however over recent years there have been changes at an international and national level that have had significant impacts on the construction sector and UK housing market. NPH have identified that their proposal to deliver their original housing scheme was, as a result, no longer viable.
- 2.3 Therefore, the Council has been considering potential ways forward to deliver a scheme that is financially viable but also delivers a sustainable community. The result has identified that the sale of Bassett – Lowke, an existing standalone student accommodation block, is essential in ensuring the scheme is deliverable going forward.

3. Recommendations

- 3.1. It is recommended that Cabinet:
 - a) Authorise the Assistant Director Assets & Environment in consultation with the Executive Director of Finance (Chief Finance Officer) to dispose of the Bassett-Lowke building and associated land subject to satisfactory due diligence.
 - b) Notes the use of further funds from the HRA to undertake the above recommendations where applicable.

4. Reason for Recommendations

- 4.1 Disposal of the Bassett-Lowke building and associated land at a competitive price will make a significant contribution to making the site more financially viable.

5. Report Background

- 5.1. In December 2020 Northampton Borough Council approved the acquisition of the Avenue Campus site including the Newton Building (which at the time was intended to provide a new headquarters for NPH) for the development of up to 170 new affordable homes. Subsequent reports in January and February 2021 sought approval following due diligence to complete the acquisition.

- 5.2. The Northampton Borough Council report presented to its cabinet on the 17 February 2021 noted that, if acquisition could not be concluded by 1 April 2021, this work would need to be concluded by the new West Northamptonshire Council through its processes and relevant officers.
- 5.3. Having not been concluded by the 1 April 2021, work on the acquisition subsequently passed to officers of West Northamptonshire Council. In June 2021, West Northamptonshire Council Cabinet approved the purchase of the Avenue Campus site for the development of up to 170 new affordable homes. The approval did not include the acquisition of the Newton Building.
- 5.4. Following Cabinet approval, the Council acquired the Avenue Campus site from the University of Northampton. The site benefitted from a hybrid planning permission for up to 170 homes at the time of its purchase. The site was then progressed by the Council's Arms-length Management Organisation, Northamptonshire Partnership Homes (NPH), as its development agent. The site comprised of three areas/zones. Demolition or partial demolition followed by new build housing was planned across two of the areas and the refurbishment of an existing building (Bassett-Lowke) on the third area.
- 5.5. The original intention was that the development would maximise affordable housing on the site. However, NPH then identified that their proposal to deliver their original scheme was no longer viable. Therefore, options to make the site more viable are being considered.

6. Issues and Choices

- 6.1. Bassett-Lowke is the University's former student residents block of 248 bedspaces. The Council has received an offer for this site and the adjacent Quinton Building. In line with Council procedures when off market disposals are considered, a formal ('Red Book') valuation for the site has been commissioned. An off-market disposal is recommended subject to the offer being suitably in excess of this valuation, therefore demonstrating that it exceeds the value that the Council could reasonably have expected to achieve if the property have been formally placed on the market. This disposal is recommended to help improve the financial viability of the scheme.
- 6.2. Other potential uses of the Bassett-Lowke building have been considered including use as temporary accommodation as this could potentially create revenue savings. The scale of Bassett-Lowke would be unsuitable for temporary accommodation usage and the current layout would be financially challenging to remodel and meet current needs and standards. Also, the Council is currently increasing the amount of Council-owned temporary accommodation through other means e.g. acquisition programme and exploring other options such as relocatable modular housing.
- 6.3. A further plan identifying the strategy for the rest of the site will be presented to Cabinet later in the year.

7. Implications (including financial implications)

7.1. Resources and Financial

- 7.1.1 The disposal of Bassett-Lowke building and associated land will need to be modelled through and the financial impacts on the HRA confirmed by the Council's Finance Team.
- 7.1.3 Further work will be required as part of the due diligence associated with the delegated authority to the Executive Director of Finance (Chief Finance Officer) being sought.
- 7.1.4 It is expected that the Council and the other party would bear their own costs. In the case of the Council, this would include, as required, the costs of undertaking the red book valuation, legal fees (potentially external) and any additional consultancy advice needed to manage / deliver the disposal.

7.2 Legal

- 7.2.1 It might be the case that to provide legal advice in connection with this proposal may include the provision of external specialist legal advice, the costs of which will need to be considered as part of this capital project.

7.3 Risk

- 7.3.1 The Council has a statutory obligation to achieve best consideration under S123 of the Local Government Act 1972. Ordinarily this is achieved via an open market (bid) process however "off-market" disposals, such as the one proposed as part of this report are accepted where the price being paid and substantiated via a Red Book valuation is sufficiently higher than could reasonably be achieved by putting the property on the market. While there is always a risk that other bidders may in the market, this risk is mitigated through the assessment of the offer against the Red Book valuation.

7.4 Consultation and Communications

- 7.4.1 Significant consultation has taken place with residents in this area over the changes envisaged, including consultation with the local community through the planning process to date.
- 7.4.2 Various council teams have been involved in proposal outlined in this report including: Housing, Major Projects & Regeneration and Assets. Also, there has been engagement with NPH and Homes England.

7.5 Consideration by Overview and Scrutiny

- 7.5.1 This report and its recommendations have not been considered by the Children, Education & Housing Overview and Scrutiny Committee.

7.6 Climate Impact

7.6.1 The disposal of Bassett-Lowke building and re-use of the existing building will reduce carbon (both embodied carbon emissions and the carbon footprint of new materials) compared to demolition and rebuild.

7.7 **Community and Poverty Impact**

7.7.1 An Equality & Anti-Poverty Screening Assessment (EAPSA) has been completed and does not identify a negative impact on disadvantaged groups.

8 Background Papers

8.1 List of previous Cabinet reports:

- NBC Cabinet Report December 2020
- NBC Cabinet Report January 2021
- NBC Cabinet Report February 2021
- WNC Cabinet Report June 2021