

**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

**EXECUTIVE MANAGEMENT TEAM'S  
REPORT TO CABINET**

**Cabinet**  
**17 March 2021**

**Report Title:** Aspire Housing – Prospectus for Joint Working

**Submitted by:** Executive Director - Commercial Development & Economic Growth

**Portfolios:** Corporate and Service Improvement, People and Partnerships

**Ward(s) affected:** All Wards

**Purpose of the Report**

To consider a proposal by Aspire Housing for the development of a formal joint working platform to jointly deliver housing on Council land via a commercial arrangement with Aspire Housing.

**Recommendation**

**That**

1. Cabinet accepts in principle that the Council will work in partnership with Aspire Housing in the delivery of residential developments throughout the Borough.
2. The Executive Director Commercial Development and Economic Growth is authorised to work with the Leader of the Council to deliver the projects on a case by case basis.
3. Further Cabinet updates will be presented to highlight progress on the working arrangement.

**Reasons**

To pursue a healthy future for Newcastle Borough whilst ensuring that development opportunities are maximised in achieving Council Plan objectives.

1. **Background**

- 1.1 There have been many previous discussions internally about how the Council might undertake housing development on its own land and be more commercial in its approach to land sales/ development.
- 1.2 One hurdle to this approach is the skills and competences that would be required for such activities as the Council has never undertake this type of activity directly.
- 1.3 In discussions with Aspire Housing about the various developments that we are considering developing out – Ryecroft new HQ building, Zanzibar site etc, the suggestion was made that maybe a closer working relationship could be developed where the necessary skills are provided for our schemes that could be developed out jointly.

## 2. **Issues**

2.1 The attached proposal has been received as a consequence of the discussions setting out the key objectives that any such partnership would set and deliver against:-

- Sustained housing offer
- Kick start to difficult sites
- Maximisation of return to both parties
- Commercialised approach to development

2.2 The proposal sets out the benefits of any such partnership detailing the experience of the Group and what skills and capacity they can bring the partnership.

## 3. **Proposal**

3.1 The proposal sets out two framework suggestions for the Council to consider:-

- Contractual collaboration agreement, where sites are worked up together and the commercial aspects of each project are developed in line with the specifics relevant to the project – for example, the value of the land, the development itself and objectives for the site – shared housing , private housing etc
- The more formal Special Purpose Vehicle could be established where the SPV delivers against set objectives of each party. It is a more formal basis of partnership working.

3.2 It is considered that the first of these two options is considered to be the better approach at this point in the proposal as the ultimate delivery model, which may involve the later creation of one or more SPVs, may change on a project by project basis.

## 4. **Reasons for Proposed Solution**

4.1 The proposed first framework solution above enables the necessary commitment to proceed with working up proposals at this stage, whilst enabling flexibility to be retained in terms determining the appropriate vehicle to adopt on a scheme by scheme basis as matters progress.

## 5. **Options Considered**

5.1 Other options considered include seeking to progress otherwise than in partnership, but it is considered that the option proposed is the most viable bringing in an experienced and trusted partner to assist in formulating proposals.

## 6. **Legal and Statutory Implications**

6.1 There will be a number of considerations to take into account when the time comes to implement any particular project identified, those considerations being adequately summarised in the partnership proposal document. They relate to issues such as procurement requirements, realising land values and managing risk.

## 7. **Equality Impact Assessment**

7.1 The nature of the arrangement is intended to seek benefits for all residents across the Borough to have access for modern and sustainable housing options.

## 8. **Financial and Resource Implications**

8.1 The financial and resource implications will be dependent on the nature of the partnership. Further work on the financial risks and the management of them will be completed in due course. The following areas will need to be taken into consideration:-

### Financial Implications

- Land value expectations
- Access to finance for developers/registered providers
- Cash flow and interest payments
- Potential grant funding
- Best value

### Resource Implications

- Availability of sites
- Skills and labour availability
- Provision of materials
- Availability of developers
- Brexit

8.2 Good governance arrangements will need to be in place to ensure the intended objectives are achieved for residents and service users.

## 9. **Major Risks**

9.1 A full programme risks will be worked up and monitored as part of the Governance arrangements established for the arrangement.

## 10. **UN Sustainable Development Goals (UNSDG)**

10.1 With a partnership proposal that is aiming to delivery housing opportunities in a sustainable and inclusive way, there a number of UNSDG are supported by this proposal including:-



## 11. **Key Decision Information**

11.1 This is not a Key Decision

## 12. **Earlier Cabinet/Committee Resolutions**

12.1 N/A

13. **List of Appendices**

13.1 Partnership Offer from Aspire Housing.

14. **Background Papers**

14.1 None