

Appendix 4

Summary of Disposal Options

Disposal options considered when analysing the future strategy and disposal options for CSM and PDR:

Option 1: Do Nothing

Advantages:

- Avoids requirement for political decision.

Disadvantages:

- Political will may not exist to bring the site forwards in the future.
- Funding might not be available to progress planning.
- The Council may lose £3.076M in LRF grant funding.
- The Council will not benefit from wider LRF grant application (legal services; planning; contract procurement fees etc).
- The Council has committed a capital sum to secure control of CSM and PDR, to facilitate bringing the sites forwards for residential development. If the sites are not brought forward for development this would represent a loss to the Council.
- The Council will not be able to fulfil its requirements for 3 year and 5 year residential land supply if these sites are not brought forwards for development.

Conclusion:

- The risks of non-delivery outweigh the benefits which are considerable in terms of projected capital receipt from the development, benefits from LRF grant funding; and achieving the Council's targets for its 5-year residential land supply.

Option 2: Freehold Sale

We have considered two options for a straight forward freehold land disposal:

- 2.1 Freehold Sale Subject to Planning, Enabling Works Undertaken
- 2.2 Freehold Sale – No planning consent

Advantages:

- Straight forward and speedy disposal route.
- Can benefit from LRF funding.

Disadvantages:

- Reduced profitability.
- Loss of control over design of final scheme
- Reduced benefit of LRF funding

Conclusion:

- Reduced profitability will not meet the Council's objective of maximising the capital receipt.

Option 3: Sale and Leaseback

Advantages:

- Delivery of social housing and improvement of social housing stock.

Disadvantages:

- Reduced profitability.
- Housing stock type and mix inconsistent with objectives.

Conclusion:

- Sale & Leaseback will not deliver the required financial return, and will not provide the quality and type of stock required within the locality in accordance with the Local Plan.

Option 4: Public Private Partnership (Development Agreement)

Advantages:

- Maximises capital return
- Achieves optimal Value for Money (VfM) in accordance with the principles set out in HM Treasury's Green Book.
- Council can influence scheme to be delivered
- Benefits from optimum LRF funding.

Disadvantages:

- Timing of delivery to secure LRF grant

Conclusion:

- Delivers maximum capital return for the Council and fully meets the Council's strategic objectives and statutory requirements. However, timeframe for delivery is tight.

Option 5: Direct Development by Torbay Council

Advantages:

- Full control over contract and housing delivery.

Disadvantages:

- The Council does not have the required skill set/ experience to guarantee successful delivery.

Conclusion:

Risks outweigh potential benefits. We do not believe this is a viable option.