

Corporate Land Project – Summary of Decision History

- 1.1.1 In 2020 the Council was offered the opportunity to purchase a piece of land for the sole purpose of building affordable housing for the district's residents. In August 2020, the Council agreed to pursue the opportunity to purchase the plot of land in Heybridge. (Minute No.1132 refers).
- 1.1.2 The Council's Corporate Project Board agreed that the objectives of the project should be:
 - (i) providing a residential development which will bring much needed affordable housing to the district. and
 - (ii) providing a capital and/or revenue return for Maldon District Council to utilise for other district needs;
- 1.1.3 In July 2021, the Strategy and Resources Committee agreed to enter into a legally binding 'Option Agreement' to secure this arrangement (Minute No. 166 refers) and in November 2021 the Council entered into this Option Agreement. The Option Agreement permitted the Council a period of 24 months to conduct due diligence checks, after which time it should be confirmed in writing to the landowner the intention to purchase.
- 1.1.4 In May 2022, a revised option agreement was approved by the Strategy and Resources Committee which expanded the plot it intended to purchase, with a 24-month deadline to exercise this by May 2024 (Minute No.91 refers).
- 1.1.5 In August 2022 Consultants were appointed to assist the Council with identifying the options available regarding the financial benefits that could potentially be derived from both the site, and other future land opportunities. Based upon their analysis there was strong evidence the site would provide a financial return to the Council. This included a number of options which would allow the Council to develop the site itself, (either through setting up a company or by purchasing expertise to manage the project), and how this could be funded. On considering these risks and the financial benefits they would return; officers recommended that the option which would provide the lowest risk and highest return was to sell the site on to a Registered Provider (RP) to develop.
- 1.1.6 In January 2023, the Council resolved to proceed with the planning application for the project and agreed that following a planning decision further details should be brought back to the Council for determination (Minute No. 471 refers).
- 1.1.7 Following Council approval to proceed with planning in January 2023, the project team completed due diligence checks and engaged consultants for specialist advice to prepare a planning application.
- 1.1.8 In June 2023, meetings were held with the interested RPs and information was shared to provide more assurance on the quality of site and the due diligence completed. In response to the sharing of land due diligence reports, further offers were subsequently received in July 2023, but the bids for the preferred model were financially unviable for the Council; and whilst a range of alternative offers were also presented by the RPs on an adjusted housing model as previously, the proposed sale price was lower than in the first round.
- 1.1.9 In August 2023, MDC reviewed its preferred housing model based on Member feedback (provided during Member Briefings on the project in July 2023) which called

for a higher percentage of rented units, in line with the Council's assessed housing needs and a further round of bids was sought, which were received in October 2023.

- 1.1.10 The project team remained in communication with RPs to secure an appropriate sale agreement. This primarily centred around the proposed housing mix for the site, which was a major determinant of financial viability for the RPs.
- 1.1.11 As at October 2023, there was only one bid which was expected to meet the Council's required housing mix and other conditions. Once relevant costs were deducted (estimated Section 106 (S106) contributions, land purchase cost and project costs), this offer would require a net capital contribution from the council.
- 1.1.12 A planning pre-application meeting was held on 3 November 2023 to allow Members the opportunity to review the proposed plans and to ask questions in relation to the scheme.
- 1.1.13 In November 2023, although a planning application had not yet been submitted; following further Member feedback and engagement via the Corporate Projects Working Group since the election in May 2023, it was felt appropriate to seek further Council ratification to proceed with the project before committing additional costs associated with submitting a planning application.
- 1.1.14 In November 2023 a report was taken to Council to agree whether to proceed with the project, and a decision was taken to stop the project.