

**Title of meeting:** Leader Portfolio

**Date of meeting:** 14th September 2020

**Subject:** The Old Brewery, Hambrook Street

**Report by:** Anne Cains - Head of Acquisition & Disposal

**Wards affected:** St.Thomas

**Key decision:** Yes

**Full Council decision:** No

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## **1. Purpose of report**

- 1.1 This report sets out the proposed transfer of the Old Brewery, Hambrook Street to the Council's arm's length development company Ravelin Housing Ltd, to undertake the proposed redevelopment of the site.

## **2. Recommendations**

The Leader approves and authorises that;

- 2.1 Subject to the approval of a Business Case by the S.151 Officer and the Director of Finance for residential redevelopment by Ravelin Housing Ltd;
- 2.1.1 The Freehold of the land known as The Old Brewery, hambrook Street (identified on the plan at appendix A) be transferred to Ravelin Housing Ltd for the consideration detailed in this report.
- 2.1.2 In accordance with section 122 of the Local Government Act 1972, appropriate the land for such statutory purpose as necessary to deliver the proposed redevelopment, and to authorise the overriding of such easements, rights, or other adverse matters burdening the land, where that is needed to deliver the scheme, in reliance on section 203 of the Housing and Planning Act 2016.
- 2.2 The City Solicitor be authorised to complete the necessary documentation to complete 2.1 above.

## **3. Background**

- 3.1. The building, now vacant had previously been occupied by community groups with limited responsibility for maintenance.

- 3.2 The building is in need of significant investment to repair and maintain the structure.
- 3.3 A planning application has been submitted to add an additional floor and to create residential block of 17 dwellings. The decision is pending
- 3.4 The site has been valued independently on the existing use: community group use and storage. This report is included in appendix 2.
- 3.5 The Council own a property development company Ravelin Group Ltd which enables the council to develop and provide residential units which if developed by the Councils own Housing Revenue Account are subject to restrictions which would render the proposed scheme unviable.
- 3.6 At the Cabinet meeting on the 26<sup>th</sup> February 2019 the Cabinet resolved to redefine the purpose of the Ravelin Group of companies to enable the Council to participate in the residential and commercial development of sites within the city and to create and incorporate Ravelin Housing limited.
- 3.7 The Ravelin Group of companies will deliver sustainable growth in a commercial manner through the development of Council owned (and other) lands. Through its development, it will prioritise the creation of balanced communities, delivering a range of homes people can afford (in line with City's housing need) and other products to enable economic growth in and around the City of Portsmouth.
- 3.8 The intention for this development is private rented accommodation. All profits generated will be paid back to the Council in the form of Dividends.
- 3.9 The broad business objectives of Ravelin Group include;
  - 3.9.1 Ravelin Group recognises that the need for affordable sub-market rents will largely be met within the HRA and thus Ravelin Group will work with the HRA to support and deliver these new homes on behalf of the HRA, where appropriate.
  - 3.9.2 Ravelin Group will develop new homes that people can afford to support low income working families, like homes for key workers to rent and shared ownership products to buy in and around Portsmouth, in line with the city's housing need.
  - 3.9.3 Ravelin Group will support the Economic Growth and Inward investment ambitions of the city with its development pipeline. By creating new jobs in property development and offering apprenticeships and training opportunities all with the aim of deriving long term benefits for the City.
  - 3.9.4 Work with the Council to support the delivery of a range of social value outcomes.

#### **4. Proposal**

- 4.1 In support of the resolution of Cabinet in February 2019 for the creation of the arm's length development company and to undertake the residential redevelopment of the site it is proposed that the Council transfer the freehold of The Old Brewery, Hambrook Street to Ravelin Housing Ltd at the existing use value as detailed in appendix B following a financial appraisal of the proposed scheme being approved by the S.151 Officer.

#### **5. Reasons for recommendations**

- 5.1 The recommendations are considered by officers as important to ensure the timely delivery of the scheme to provide 17 new residential units for the private rental sector, the income from which will support Ravelin's objectives

#### **6. Integrated impact assessment**

- 6.1 The contents of this report do not have any relevant equalities and environmental impact and therefore an Integrated Impact assessment is not required.

#### **7. Legal implications**

- 7.1 Under s123 of the Local Government Act 1972 the Council may dispose of any land in any manner they wish provided that it must be for the best consideration that can reasonably be obtained. If the disposal is not for the best consideration obtainable then the consent of the Secretary of State will be required
- 7.2 The independent external valuation of the site has established the existing use value, Property & Investment have confirmed that the transfer will take place at this value, the best consideration obtainable.

#### **8. Director of Finance's comments**

- 8.1 The proposed development is in it draft form at present and as yet a financial appraisal that sets out the financial viability of the project has yet to be carried out.
- 8.2 As mentioned in the main body of the report the transfer of the property to Ravelin Housing Ltd will only be executed once a satisfactory financial appraisal has been agreed by the S151 Officer.

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Signed by:

**Appendices:**

- Appendix A - location plan
- Appendix B - CONFIDENTIAL Valuation summary

The recommendation(s) set out above were approved/ approved as amended/ deferred/  
rejected by ..... on .....

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Signed by:

