

**Executive
19 April 2016**

**Not for Publication by Virtue of Part I of Schedule 12a of the Local
Government Act 1972**

95/E Redevelopment of Ashwood House and Pembroke House

The Executive considered a report providing an update on progress with the Ashwood House development project and seeking approval to develop both Ashwood House and Pembroke House to maximise the potential of both.

The Head of Legal Services reminded Members that the Council owned Pembroke House and had purchased Ashwood House in July 2015. She detailed the findings of viability work carried out by the Council's advisors, Montagu Evans, into the redevelopment of the properties, options available and the potential risks attached to each option.

Options to develop Ashwood House included redevelopment of the current vacant office space (above the retail outlets) with the possibility of extending the property by up to 2 floors. Options around delivery included disposal of the residential opportunity to a developer, procuring a development partner or becoming a developer.

The report analysed the relative risk and benefits of the options considered, with the potential benefits of incorporating the development of Pembroke House into the same project, in which the scheme for Pembroke House could include 100% affordable housing, with a mix of units between affordable rent and shared equity.

The Council's advisors had recommended procuring a development partner to deliver a project including the development of both properties. Further consideration would be needed to the Right to Buy implications on the mix of housing. Members recognised that the Council had not previously operated as a developer, working with partners on previous major projects. They were also mindful of advice from the Council's external legal advisors on a range of potential issues, including compliance with European Union procurement law and state aid considerations, as well as achieving best consideration under Section 123 of the Local Government Act 1972.

Resolved that

- (i) The report be noted;**
- (ii) Procurement of a development partner for Ashwood House and Pembroke House be delegated to the Chief Executive in consultation with the Land and Property Board and after taking appropriate legal and professional advice; and**
- (iii) The Chief Executive be authorised to seek permission for the development to be carried out at Ashwood House and Pembroke**

House by the Council, as set out in the Head of Legal Services' report, in accordance with the Town and Country Planning General Regulations 1992.