

Dear Councillor

**CABINET - WEDNESDAY, 26TH JULY, 2023**

I am now able to enclose for consideration at the meeting of the Cabinet on Wednesday, 26th July, 2023, the following reports that were unavailable when the agenda was printed.

<b>Agenda No</b>	<b>Item</b>
5a	<b>Canalside South - Selection of Preferred Developer (Public Version) (Pages 3 - 22)</b> [To receive an update on the selection of a preferred development partner to progress the Canalside South scheme]
7	<b>Canalside South - Selection of Preferred Developer (Exempt version) (Pages 23 - 104)</b> [To receive an update on the selection of a preferred development partner to progress the Canalside South scheme]

If you have any queries about this meeting, please contact the democratic support team:

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<b>CITY OF WOLVERHAMPTON COUNCIL</b>	<b>Cabinet</b> <b>26 July 2023</b>
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<b>Report title</b>	Canalside South – Selection of Preferred Developer	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Stephen Simkins Acting Leader of the Council	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	No	
<b>Wards affected</b>	All Wards	
<b>Accountable Director</b>	Richard Lawrence, Director of Regeneration	
<b>Originating service</b>	Regeneration	
<b>Accountable employee</b>	Liam Davies	Head of City Development
	Tel	07811010627
	Email	liam.davies@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	Regeneration Leadership Team	3 July 2023
	Strategic Executive Board	11 July 2023
	Cabinet Member for Inclusive City Economy	19 July 2023
	Cabinet Member for Environment and Climate Change	20 July 2023

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**Recommendations for decision:**

The Cabinet is recommended to:

1. Acknowledge, endorse, and approve the selection of the landowning partnership's (City of Wolverhampton Council and Canal & River Trust) development partner following the evaluation process of best and final bids and in accordance with the final commercial terms and recommendations of the appended Transaction Report.
2. Authorise entering an exclusivity period with the development partner on the terms outlined in the report.
3. Authorise the Council to enter into a Collaboration Agreement with Canal & River Trust.

4. Delegate authority to the Deputy Leader: Inclusive City Economy in consultation with the Chief Operating Officer, s.151 Officer and Director of Regeneration to finalise all necessary legal agreements to affect the land transaction based on the terms outlined in this report.

**Recommendations for noting:**

The Cabinet is asked to note:

1. That 'best and final' bids were requested from shortlisted underbidders in accordance with updated technical information, pre-application planning advice. Legal and commercial assurance and advice received to date has ensured a robust evaluation process has been undertaken to satisfy s.123 of the Local Government Act 1972.
2. That the preferred bidder has been agreed between the partners (City of Wolverhampton Council and Canal & River Trust) following a detailed evaluation and assessment process.
3. That the process undertaken has enabled shortlisted underbidders to submit best and final offers following the completion of site due diligence, intrusive investigation, design development and planning feedback.
4. That a draft development agreement is in place that will enable expedited exchange and completion (on a subject to planning basis only) thereby ensuring that adherence to the original forecasted programme is maintained.
5. Vacant Possession (VP) will be provided in accordance with the timescale set out by the developer following receipt of planning approval to enable the implementation of development. This will require suspension of all interim activities and uses for the site to enable this important scheme to progress unimpeded.

## **1.0 Purpose**

- 1.1 The purpose of this report is to update Cabinet on the completion of the sale and marketing process undertaken at Canalside South following the recent announcement that the previous preferred developer, Legal & General Modular Homes, has closed its modular homes production factory.
- 1.2 Following an assurance review, supported by external legal and commercial advice, the two shortlisted bidders have been invited to submit best and final offers in order to reflect the extent of due diligence and planning engagement undertaken to date.
- 1.3 This report provides an overview of the bidding process. This section is PRIVATE – exempt from publication under Schedule 12A of the Local Government Act 1972 (as amended), Part 1, Paragraph 3.

## **2.0 Background**

- 2.1 On 28 July 2021 a report was taken to Cabinet seeking to approve the partnership approach (alongside Canal & River Trust) as joint landowners and the marketing of the Canalside South site in order to seek a development partner. The Canalside South area is formed of a collection of formal industrial sites prominently visible on the approach into Wolverhampton City Centre and is one of the Council's key priorities for residential-led mixed use regeneration.
- 2.2 The main site owners, which include the Council and the Canal & River Trust, have come together to form a partnership to bring forward the development of Canalside South under the auspices of a Collaboration Agreement which reflects the need for transformational regeneration across ownerships to drive placemaking principles and associated residential values. Collectively the partners have assembled a 17.5-acre development opportunity which positions Canalside South as one of the most significant city centre residential opportunities in the region.
- 2.3 The Cabinet report also secured delegated authority to relevant elected members and officers to progress contractual agreements with the preferred bidder once the marketing process had been concluded. Having concluded the marketing process the partners entered into an exclusivity period in November 2022 to enable further due diligence work and exchange of contract (subject to planning) with Legal & General Modular Homes. During this period Legal & General Modular Homes undertook significant work on ground conditions, engagement with third parties (e.g. Network Rail) and design development. Reflecting the good progress made by Legal & General Modular Homes the initial term proposed for the Exclusivity Agreement was extended until May 2023.
- 2.4 Following recent announcements that Legal & General Modular Homes has ceased production at its factory in Selby, Yorkshire (detailed in section 4), the preferred developer position held by Legal & General Modular Homes became invalid on the basis that it could not fulfil and comply with the original sale terms.

- 2.5 This section is PRIVATE – exempt from publication under Schedule 12A of the Local Government Act 1972 (as amended), Part 1, Paragraph 3.
- 2.6 This section is PRIVATE – exempt from publication under Schedule 12A of the Local Government Act 1972 (as amended), Part 1, Paragraph 3.
- 2.7 The revised marketing exercise has provided a transparent and compliant approach, and this report provides an update on the corresponding revisions to the process and selection of the development partner.

### **3.0 Marketing and Bid Evaluation process**

- 3.1 The partners (CWC and CRT) appointed Avison Young to undertake a full open marketing exercise for their respective land interests. Avison Young advised on a staged marketing approach to achieve the required outputs of;
  - i. maximising the regeneration benefits.
  - ii. enhancing the quality of the eventual scheme.
  - iii. optimising the scheme to the marketplace; and
  - iv. ensuring commercial returns to the partners are maximised.
- 3.2 In line with the agreed marketing and disposal strategy, the freehold interest in the disposal site was formally offered for sale on the open unrestricted market on a conditional (subject to planning) basis by informal tender to attract a suitable development partner.
- 3.3 A multi-staged marketing process was launched at Business Week in September 2021. This saw expressions of interest from nearly 50 separate parties, with 10 formal offers submitted and ensuing shortlisting to a final two bidders.
- 3.4 Legal & General Modular Homes were selected as the partners preferred bidder on the basis of strength of financial offer alongside strong environmental credentials (e.g. carbon net zero), balance of tenure and social value commitments including delivering local labour and supply chain opportunities, enhancing skills and employability, creating apprenticeships, promoting cohesion and activity within the community, and supporting health and wellbeing.
- 3.5 During the exclusivity period, Legal & General Modular Homes undertook significant intrusive surveys, due diligence, third party engagement and pre-application design development with costs amounting to c.£300,000. Legal Agreements were substantially completed during this exclusivity period between the parties respective legal advisors.
- 3.6 Reflecting the positive progress being made, the landowning partners agreed to extend the exclusivity until May 2023 to enable completion of legal documents and for geo-technical information to be returned.

#### 4.0 Revised process – ‘Best and Final offers’

- 4.1 As detailed in paragraph 3.1, the partners commercial advisors have designed a further process (with supporting input from the partners external legal advisors, ratified by CWC Legal Services) to seek ‘best and final offers’. This revised process sought to capitalise upon the enhanced baseline of site information following the work undertaken by Legal & General Modular Homes and retain momentum to the process whilst ensuring any risk of challenge is minimised and that Best Value can be demonstrated by the partners commercial agents.
- 4.2 This section is PRIVATE – exempt from publication under Schedule 12A of the Local Government Act 1972 (as amended), Part 1, Paragraph 3.
- 4.3 The timeline and key stages for the best and final offers process were as follows:
- 29 June 2023 – Confirmation letters issued to bidders seeking ‘best and final’ offers setting out process, timeline and additional information.
  - W/C 10 July 2023 – Developer meetings with CRT and CWC officers;
  - 18 July 2023 (5pm) – Submission of ‘best and final’ offer with accompanying proposals to Avison Young.
  - 19 July 2023 – Vendors evaluation and review of bids by CWC / CRT officers.
  - 20 July 2023 – presentation of best and final bids to CWC / CRT Leadership.
  - 21 July 2023 – Avison Young transaction report

#### 5.0 Selection of preferred bidder

- 5.1 Shortlisted bidders were issued with three documents as follows:
- Canalside South informal tender instructions and bid proforma (dated July 2023) – see appendix 1
  - Canalside South – Evaluation Criteria – see appendix 2
- 5.2 The evaluation criteria, jointly formulated and agreed with both landowning partners to reflect the shared vision and aspiration for the development, can be summarised as follows:
- **Design (40% overall)** – comprised of sub-headings around high-quality design (15%), scheme connectivity (5%), interaction with the canal (5%), proposed scheme accommodation (5%), sustainability (5%), and additional or complementary uses (5%).
  - **Price (30% overall)** – comprised of deposit on exchange (2.5%), capital receipt (£) and overages (20%), level of affordable housing (policy) (2.5%), Technical abnormal development and S106 financial contribution allowances (5%).

- **Delivery (30% overall)** – contract milestones (15%), Corporate Social Responsibility (CSR) (5%), funding (10%).

## **6.0 Bidder A offer**

6.1 This section is PRIVATE – exempt from publication under Schedule 12A of the Local Government Act 1972 (as amended), Part 1, Paragraph 3.

## **7.0 Bidder B offer**

7.1 This section is PRIVATE – exempt from publication under Schedule 12A of the Local Government Act 1972 (as amended), Part 1, Paragraph 3.

## **8.0 Evaluation of alternative options**

8.1 This section is PRIVATE – exempt from publication under Schedule 12A of the Local Government Act 1972 (as amended), Part 1, Paragraph 3.

## **9.0 Reasons for decisions**

9.1 This section is PRIVATE – exempt from publication under Schedule 12A of the Local Government Act 1972 (as amended), Part 1, Paragraph 3.

## **10.0 Financial implications**

- 10.1 The final sales terms are subject to conclusion within the timeframe of the exclusivity agreement and will be subject to an Individual Executive Decision Notice (IEDN); for which delegation is sought in this report. Final terms will be progressed during the initial 3-month exclusivity agreement period (subject to extension if required). Effectively this transaction is a conditional land sale agreement, sold on a long lease basis which will fall away on phased completion.
- 10.2 At the end of the exclusivity period, it is anticipated that sale contracts will have exchanged based on an offer only, save only as planning approval which will be a conditional of sale. At this point our commercial advisors will provide s.123 valuation report giving assurance to the s.151 officer that the council has achieved Best Consideration under s.123 of LGA 1972.
- 10.3 Work undertaken to prepare legal agreements during the exclusivity with Legal & General Modular Homes has enabled issue of draft agreements as part of the 'best and final offers' process which mitigates the need for any significant re-negotiation or re-drafting of agreements as bids have been informed by these draft agreements.
- 10.4 Key activities during the Exclusivity Agreement period will be the conclusion of legal documents (sale agreement and any ancillary agreements) and progression of detailed design towards planning submission. The Council has in place both external legal (Pinsent Masons) and commercial (Avison Young) support (working closely with in-house teams) to provide advice to enable the conclusion of these activities. These commissions have been pre-procured with established budget lines in place (CWC legal costs are



being funded from the 'Walsall to Wolverhampton' approved budget funded from the Regeneration Reserve).

- 10.5 This section is PRIVATE – exempt from publication under Schedule 12A of the Local Government Act 1972 (as amended), Part 1, Paragraph 3.
- 10.6 This section is PRIVATE – exempt from publication under Schedule 12A of the Local Government Act 1972 (as amended), Part 1, Paragraph 3.
- 10.7 The exclusivity agreement specifies the “buyer” will be contributing a maximum of £15,000 towards legal costs. A full reconciliation of legal costs will take place with the £15,000 buyer contribution being split proportionately between costs incurred by the Council and legal costs incurred by Canal & Rivers Trust. Again, internal legal costs of the Council are funded through an approved service revenue budget funded from the Regeneration reserve. The approved revenue budget is considered sufficient to complete the full transaction, including costs of all advisors.
- 10.8 This section is PRIVATE – exempt from publication under Schedule 12A of the Local Government Act 1972 (as amended), Part 1, Paragraph 3.  
[HM/24072023/M]

## **11.0 Legal implications**

- 11.1 As detailed in the body of this report, the contractual terms of a contract for sale with a preferred developer have substantially been prepared and have accompanied the 'best and final offers' bidding stage.
- 11.2 A short exclusivity agreement is proposed to finalise these agreements and reflect any design development changes as part of ongoing pre-application engagement. Exclusivity Agreements are usually for short periods of time to enable the parties to focus their attention to the matter in question. Here a 3-month period with scope to extend the period beyond three months is recommended for approval. The nature and length of the agreement is commonplace in transactions of this nature.
- 11.3 The Council's Legal Services in conjunction with an external law firm has been involved in preliminary discussions relating to the contractual terms of the proposed disposal and a draft form of Exclusivity Agreement ensuring that it contains the Council's boilerplate provisions.
- 11.4 Pursuant to Section 123 of the Local Government Act 1972 ('the Act') the Council may dispose of land held by it in any manner it wishes, subject to certain caveats. Under that Act, the Council also has a statutory duty to ensure that the Council does not dispose of land for a consideration less than the best that can reasonably be obtained. The Council carried out an open market exercise and has commissioned its commercial advisors to prepare a market valuation report, marketing and transaction report and a letter specifically addressing Section 123 of the Act.

- 11.5 The Council will be obliged to provide the site with Vacant Possession and free from encumbrances with all future liability and insurances for the land and property (in the sales demise) the responsibility of the incumbent beneficial landowner once the land has been drawn down.
- 11.6 As this matter progresses the Council will need to ensure its continued compliance with its Constitution, procurement, subsidy control laws and other relevant statutory instruments. The Council has appointed an external law firm, which has to date provided advice relating to the procurement and governance structure of the transaction. The other areas of law will need to be at the forefront of this transaction as it progresses.
- 11.7 The Council's Legal Services will continue to provide legal advice and support throughout this transaction. [JA/21072023/E]

## **12.0 Equalities implications**

- 12.1 The City Centre Area Action Plan has been informed by an Equality Analysis which assessed the potential effects of the policies on different types of people.
- 12.2 An initial Equalities Impact Assessment been undertaken. Engagement with the Equalities, Diversity and Inclusion team will continue to ensure that on this initiative pays due regard to the three aims of the Equality Duty.

## **13.0 Schedule of background papers**

- 13.1 Cabinet – 28 July 2021- [Canalside South- Delivery Strategy update](#)
- 13.2 IEDN – 18 October 2021- [Canalside South- Marketing Update](#)
- 13.3 IEDN – 21 September 2022 – Canalside South – Selection of Preferred Development Partner

## **14.0 Appendices**

- 14.1 Appendix 1- Canalside South informal tender instructions and bid proforma (dated July 2023)
- 14.2 Appendix 2 – Canalside South – Evaluation Criteria A
- 14.3 Appendix 3 - This section is PRIVATE – exempt from publication under Schedule 12A of the Local Government Act 1972 (as amended), Part 1, Paragraph 3.
- 14.4 Appendix 4- This section is PRIVATE – exempt from publication under Schedule 12A of the Local Government Act 1972 (as amended), Part 1, Paragraph 3.
- 14.5 Appendix 5 - This section is PRIVATE – exempt from publication under Schedule 12A of the Local Government Act 1972 (as amended), Part 1, Paragraph 3.
- 14.6 Appendix 6 - This section is PRIVATE – exempt from publication under Schedule 12A of the Local Government Act 1972 (as amended), Part 1, Paragraph 3.

**SUBJECT TO CONTRACT**

**Canalside South, Qualcast Road, Wolverhampton WV1 3DY**

**Tender Instructions**

The City of Wolverhampton Council and Canal & River Trust (the Vendors) are seeking to identify and appoint a Development Partner (or Development Partners) to develop a high quality residential-led waterside scheme which offers an exemplar sustainable city centre development with connectivity to Wolverhampton's Transport Interchange.

The Vendors are seeking offers for the freehold interest in the site, having regard to the information available on the dedicated data room. Prospective purchasers are invited to submit proposals and financial offers on both an i) unconditional and ii) subject to planning basis.

It is anticipated that the preferred purchaser will exchange contracts, to acquire a long leasehold interest. Dependent on the requirement to discharge conditions, a long leasehold for the entire site will be granted and the freehold interest transferred to the purchaser on practical completion of the development (or earlier for sale of housing units within phases).

Completed Informal Tender Proformas, together with supporting information, should be submitted to [mark.birks@avisonyoung.com](mailto:mark.birks@avisonyoung.com) **no later than 5pm on Tuesday 18 July 2023.**

Bidders are able to submit more than one offer and may submit a bid on all or part of this opportunity. However, it should be noted that the Vendors have a preference for a disposal of the whole site. An Evaluation Matrix is attached which sets out the evaluation criteria for assessment of offers submitted. The Vendors reserve the right not to accept the highest or any offer received.

Bids should be provided with:-

- **Unconditional bids** – Timescale for exchange / completion and proof of satisfactory funds;
- **Conditions bids** – Provision of requirements as per Evaluation Criteria, phasing of the scheme to achieve with timescales and details of any conditions of the proposal or further due diligence.

**INFORMAL TENDER OFFER PROFORMA**

<b>Date</b>	
<b>Company Name</b>	
<b>Contact Details</b>	Name: Direct Line: Mobile: Email:
<b>Approvals Process</b> Please provide details of approvals required and timeframes for approvals prior to exchange.	
<b>Funder</b> If cash funds cannot be evidenced, please provide details of funder and confirm agreement for Avison Young to contact.	Name: Direct Line: Mobile: Email:
<b>Solicitor Details</b>	Name: Direct Line: Mobile: Email:
<b>Professional Team/Track Record</b> Please include evidence of track record working with Local Authorities to deliver similar projects where available.	

<p>Please provide supporting information if required.</p>	
<p><b>Net Offer Price (£)</b> Please provide the basis of this offer including the assumed scheme and sq. ft. Offers should be exclusive of VAT which may apply.</p> <p>Parties should clearly identify any deferred payment terms.</p>	
<p><b>Conditions of Offer</b> Please include any further due diligence or conditions required to be discharged prior to sale exchange or completion. Information should also include the proposed timescales for satisfying any conditions.</p>	
<p><b>Deposit</b> Payable on exchange of sale contracts.</p>	
<p><b>Clawback/ Overage Provisions</b> Please provide details on how you propose the Vendor would share in additional value delivered by the development. This should give due consideration to additional development, sales values and cost savings</p>	
<p><b>Proposed Timetable of Events to Completion</b></p>	

<p><b>Gross Development Value</b> Please specify itemised revenues from both i) private sale units; and ii) affordable housing units. Please confirm the trigger and % share of any sales overage provision.</p>	
<p><b>Assumed Abnormal Development Costs</b> Please specify itemised costs of any abnormal cost allowances assumed in arriving at your offer – this should include any allowance for S106 items or contributions.</p>	
<p><b>Basis of Offer</b> Please provide the basis of any offer.</p>	
<p><b>Details of Proposal</b> Proposals should include:-</p> <ul style="list-style-type: none"> <li>• Proposed scheme summary;</li> <li>• Assumed density (unit numbers and sq ft)</li> <li>• Assumed S106 costs;</li> <li>• All offers must include an Indicative scheme layout and accommodation schedule.</li> <li>• Please confirm details of any supporting documents provided.</li> </ul>	

Item	Information to be Provided	Weighting	Agents Comments
<b>Design (40%)</b>			
High quality design	<p>Both clients require a high-quality designed scheme to create a step-change in the area. This is a principal objective of the project.</p> <p>Bidders to provide:-</p> <ul style="list-style-type: none"> <li>• Indicative scheme layout and indicative CGI's;</li> <li>• Examples of previous regeneration schemes of a comparable nature or scale;</li> <li>• Details of standard specification of housing, commercial and communal and landscaped / external areas;</li> <li>• Evidence of adherence to the Planning Guidelines document.</li> </ul>	15% of 40%	<p>The Vendors are particularly focused on the regeneration effect of the scheme and are seeking to act as a catalyst for the impact beyond the red line of the subject property.</p> <p>Strong preference for a quality and unique residential scheme which has a place-making impact and interacts with the local surroundings and appeals to a broad range of residential occupiers in order to create a vibrant community.</p> <p>The examples used by bidders should seek to illustrate why the regeneration or scheme has been successful.</p>
Scheme Connectivity	<p>The Planning Guidelines document references the need for connectivity as one of the key development principles.</p> <p>Bidders to provide:-</p> <ul style="list-style-type: none"> <li>• Indicative scheme layout;</li> <li>• Examples of previous schemes;</li> <li>• Design of public realm that illustrates connections and lighting to achieve safer and inclusive external spaces;</li> <li>• Evidence of adherence to the Planning Guidelines document.</li> </ul>	5% of 40%	<p>The Planning Guidelines document and relevant Planning Policy documents are clear in the connections required, particularly those which complement a residential scheme. This is relevant to how the scheme interacts with both i) the canal network; and ii) the nearby transport hub. Canal &amp; River Trust have a strong preference for the scheme to interact with the canal (blue infrastructure).</p> <p>If bidders are seeking to acquire a phase or smaller element of the comprehensive scheme, their bid should demonstrate how they might seek to ensure the impact of connectivity is preserved across a comprehensive scheme.</p>

	<ul style="list-style-type: none"> <li>Evidence of scheme connectivity to be blue and green infrastructure.</li> </ul>		
Interaction with Canal	<p>Canal &amp; River Trust as a Vendor will have specific aspirations of how it is proposed the development will interact with the Canal.</p> <p>Bidders to provide:-</p> <ul style="list-style-type: none"> <li>Indicative scheme layout and indicative CGIs;</li> <li>Proposed permeability to the canal and blue infrastructure including any proposed ground floor uses adjoining canal;</li> <li>Detail of uses of land in proximity of the canal;</li> <li>Details of any abnormal cost allowances relating to the improvement of the canal network.</li> </ul>	5% of 40%	Any improvements to the Canal outside of the site boundaries would be reliant on planning obligations. Interested parties should demonstrate any proposals or improvements for the canal as part of their submission. Clarification will also be required as to any ambitions to discharge surface water into the canal.
Proposed scheme accommodation	<p>The Vendors will consider current housing densities in Planning Policy.</p> <p>Bidders to provide:-</p> <ul style="list-style-type: none"> <li>Indicative scheme layout;</li> <li>Accommodation schedule including unit mix, typologies and indicative scheme accommodation</li> </ul>	5% of 40%	Bidders will be required to try to illustrate a broad range of housing units and optimising development of areas of the scheme where possible.
Sustainability	The Planning Guidelines document references a need for 10% of the scheme to use provision of	5% of 40%	The Vendors are seeking to promote innovative approaches to the issue of sustainability. Strong preference for



	<p>renewable energy sources. Bidders should clarify any innovative approaches, policies or detail of their scheme which seeks to prioritise sustainable practices and prioritising a “route to zero”.</p> <p>Bidders to provide:-</p> <ul style="list-style-type: none"> <li>• Evidence of renewable energy sources, potential for sustainable construction practices could contribute towards these targets.</li> <li>• Evidence of previous or current schemes involving these working practices;</li> <li>• Clarification of sustainability practices to include where appropriate the extent (%) of the scheme using MMC together with details of the specification.</li> </ul>		<p>consideration of a route to zero carbon approach in their scheme or construction practices. Thoughts should be provided on the renewable energy sources and potential for an element of the scheme to be delivered using MMC practices. The Council have a commitment to Net Zero by 2041 and are signed up to the WMCA 2041 5 year plan.</p> <p>The Vendors will not be seeking to limit parking or the use of the car within this scheme.</p>
Additional or Complementary uses	<p>Interested parties should provide confirmation of the extent of non-residential uses, together with details of how this may complement wider residential development.</p> <p>Bidders to provide:-</p> <ul style="list-style-type: none"> <li>• Indicative scheme layout;</li> <li>• Accommodation schedule of non-residential uses.</li> </ul>	5% of 40%	<p>The Vendors propose that the scheme remains a residential-led development but that consideration is given to non-residential uses that may complement the wider residential development.</p> <p>The footfall provided by the green and blue infrastructure corridors may provide opportunity for a mixture of retail and leisure uses.</p>
<b>Price (30%)</b>			
Deposit on exchange	Bidders are requested to demonstrate commitment to the project and provide an element of deposit payable on exchange.	2.5% of 30%	The Vendors recognise that a deposit should be payable but accept that the commitment of the bidder to promote and pursue a planning permission is equally important in this instance.

	<p>Bidders to provide:-</p> <ul style="list-style-type: none"> <li>• Confirmation of deposit amount payable (% of purchase price) on exchange of sale contracts;</li> <li>• Provide details as to whether this is a non-refundable / refundable deposit.</li> </ul>		
<p>Capital receipt (£) and Overage(s)</p>	<p>Capital receipt and deferment would need to be considered as a whole in the assessment of any offers and how they interrelate. Confirmation of whether these deferred sums are unconditional or conditional should be clarified by bidders, together with details of any security provision or company guarantee.</p> <p>Overage will also be an important consideration for the Vendors, particularly if there is the possibility of the scheme to achieve further income support or wider commercial benefit of i) cost saving(s) of assumed costs; ii) increases in the level of revenue achieved; and / or iii) increase in the extent of the proposed scheme.</p> <p>Bidders to provide:-</p> <ul style="list-style-type: none"> <li>• Confirmation of Purchase Price and confirmation of the conditions of the proposal;</li> <li>• Details of any additional deferment of capital receipt to include timescales, conditions of deferment and security provisions used to protect the Vendors receipt of these deferred sums;</li> <li>• Confirmation of any overage provisions to include i) cost saving clawback provision; ii) sales revenue overage; and</li> </ul>	<p>20% of 30%</p>	<p>The Vendors are not obligated to take the highest capital receipt offered but both have a statutory duty to obtain best financial consideration.</p> <p>The Vendors accept that best financial consideration can be achieved from an alignment of financial objectives and a potential longer-term receipt of revenue as the scheme and location matures and the regeneration effect is achieved.</p>

	/ or iii) planning clawback provisions. Information should include % share and relevant trigger.		
Level of affordable housing (Policy)	<p>The Vendors have a preference that the scheme does accommodate a policy compliant affordable provision is assumed. Bidders should clarify assumptions on the level (%) of affordable housing, tenure and income from the affordable units.</p> <p>Bidders to provide:-</p> <ul style="list-style-type: none"> <li>Confirmation of the assumed level of affordable housing provision (both as planning gain or possible additional provision). Details of assumed tenures and revenue should be provided.</li> </ul>	2.5% of 30%	Policy compliant affordable housing provision requires provisions of 25% of the total residential units to be made available as a mixed tenure affordable housing – this is identified within the Planning Guidelines document. Any scheme including WMCA funding will require a minimum affordable housing provision of 20% of the total residential units.
Technical abnormal development and S106 financial contribution allowances	<p>Bidders should confirm what additional due diligence is required to be undertaken as part of their bid (if applicable). Bidders are also requested to detail any allowances made for different technical, abnormal cost items and S106 financial contributions in order that an assessment of the proposals can be completed.</p> <p>Bidders to provide:-</p> <ul style="list-style-type: none"> <li>Details of any additional due diligence required to validate the technical delivery of the proposed scheme and any timescales to discharge these conditions;</li> </ul>	5% of 30%	It would be the aim for bidders to be tendering on a consistent basis, with Avison Young being able to assess a gross and net value, dependant on the assumptions of the offers.

	<ul style="list-style-type: none"> <li>• Confirm an itemised list of abnormal cost allowances and qualification of assumed costs;</li> <li>• Confirmation of any assumed S106 contributions within their financial viability appraisal.</li> </ul>		
<b>Delivery (30%)</b>			
Contract milestones	<p>It is anticipated the Bidders will be able to provide an indicative timescale for the exchange of a conditional contract (subject to planning) and any conditions required to be discharged beforehand. The Conditional Contract is required to have an end date by which all Conditions must be achieved, or the Contract falls away.</p> <p>Bidders to provide:-</p> <ul style="list-style-type: none"> <li>• Confirm a project timescale from selection to i) completing all due diligence, subject to planning; ii) exchange of sale contract; iii) anticipated completion date; and iv) potential long stop for contract;</li> <li>• Confirm planning timescales such as i) submission of a planning application; ii) anticipated resolution to grant planning; iii) obtain formal planning permission; and / or iv) extension provisions in the event of potential planning issues;</li> <li>• Confirm anticipated programme for completion comprising i) demolition of the existing buildings; ii) lawful implementation of planning permission; and iii) indicative timescales for completion of the proposed scheme.</li> </ul>	15% of 30%	<p>It is anticipated that the preferred bidder would agree to proceed with a conditional contract, subject only to planning. A period of "lock out" or exclusivity may be provided in advance of exchange for bidders to undertake any further / additional due diligence or investigation. The Milestones therefore largely concern the delivery of the proposed scheme and the various longstops for achieving planning and delivery of the proposed scheme.</p> <p>The Conditional Contract would provide protection to partners on the developer progressing planning and achieving planning permission by the Conditional Contract end date. The Vendors anticipate extension provisions may be required for i) Judicial Review expiry; ii) planning appeal; or iii) non-determination of the planning application.</p>

<p>Corporate Social Responsibility (CSR)</p>	<p>Bidders are required to demonstrate where they may have designed and delivered schemes in an inclusive way that caters for the needs of a population as part of a diverse community.</p> <p>Bidders to provide:-</p> <ul style="list-style-type: none"> <li>• Recognition that the scheme is able to follow the principals of the City of Wolverhampton Charter and demonstrate how the development will support the Wolverhampton pound;</li> <li>• Bidders to demonstrate the principals of inclusivity, adaptability, accessibility and sustainability to promote equality in the access to new housing opportunities. This is particularly relevant to a scheme which caters for intergenerational housing.</li> </ul>	<p>5% of 30%</p>	<p>Bidders have the opportunity to demonstrate how the delivery of the proposed scheme will support the local community. This is particularly relevant to the ensuring social value through projects where local suppliers, workforce and skills are priorities through delivery.</p>
<p>Funding</p>	<p>Bidders to demonstrate access to funding to both acquire the land interest, install infrastructure, and deliver the proposed scheme.</p> <p>Bidders to provide:-</p> <ul style="list-style-type: none"> <li>• Evidence of funds to support acquisition and completion of proposed scheme, together with any conditions of this funding.</li> </ul>	<p>10% of 30%</p>	<p>It is anticipated Bidders will be able to provide evidence of existing funding arrangements or audited accounts to support not only the purchase of the land but also the implementation and completion of the proposed scheme.</p>

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