



CABINET

10 JANUARY 2017

CORPORATE DIRECTOR OF PLACE COMMISSIONING: TONY CIABURRO

CABINET MEMBER WITH RESPONSIBILITY FOR FINANCE: COUNCILLOR ROBIN BROWN

Subject:	Surplus land and property holdings are to be declared surplus and sold, subject to terms to be agreed; with delegation given to Corporate Director for Place Commissioning, in consultation with Cabinet Member for Finance, to settle terms.
Recommendations:	<p>That Cabinet authorises the following:-</p> <ol style="list-style-type: none">1. To confirm as surplus to Council requirements:<ul style="list-style-type: none">• West View Farm and associated land forming the Western part of the development site known as Buckton Fields• Maplefields (Orchard) – A disposal subject to limited private treaty and (in part) at less than best consideration, to provide community facilities• Land at Pytchley adj A14 Junction 9 – A Disposal to Wicksteed Trust for a nominal consideration.2. That the Corporate Director for Place Commissioning, in consultation with the Cabinet Member for Finance is given delegated authority to agree a disposal of each of the three properties on terms to be agreed. Noting that where best consideration is not obtained (in respect of Maplefields and Pytchley) this is agreed by Cabinet to be appropriate, in order to further social wellbeing in the County

1. Purpose of Report

1.1 To declare surplus to Council requirements a number of land and property holdings and authorise their sale, subject to terms to be agreed; with delegation given to Corporate Director for Place Commissioning in consultation with Cabinet Member for Finance to settle terms.

2. How this decision contributes to the Council Plan

The Council's vision is to make Northamptonshire a great place to live and work. This is achieved through increasing the wellbeing of your county's communities and/or safeguarding the county's communities.

This initiative specifically delivers increased wellbeing by ensuring that:

- People achieve economic prosperity, in a healthy, low carbon economy which give access to jobs, training and skills development.
- Communities thrive in a pleasant and resilient environment, with robust transport and communications infrastructure.
- Resources are utilised effectively and efficiently, in coordination with partners and providers.

3. Background

Buckton Fields

- 3.1 Buckton Fields West (BFW) is a 78.5 acre site to the north of Northampton, but falling within Daventry District Council. It forms the main part of an allocated site both in the saved Daventry District Plan and in the emerging core strategy; as mainly for residential uses - delivering in the order of 1050 homes, along with a new 2 form entry primary school, a local centre, some employment use, a possible park and ride site and associated open spaces
- 3.2 Planning permission has been granted to two housing developers – Bloor and Martin Grant Homes - who have entered in to a partnership, to bring forward development of the eastern part of the site, within their control. Their application process also extended to the Council owned land and the site has the benefit of a ‘Minded to Grant’ which includes a mix of residential, commercial, education and community uses. This is subject to Highways Agency sign-off highlighting the need for likely s.106 contributions which are estimated at £10 million for the Council’s land, should it be brought forward for development.
- 3.3 The land is currently let on two Agricultural Holdings Act Tenancies
- 3.4 Bloor and Martin Grant Homes (“BMGH”) have approached NCC with a proposal to work together and fund completion of the process of obtaining outline planning permission for the BFW site, and obtain reserved matters approval for the First Phase Land. Assuming satisfactory planning Bloor and Martin Grant Homes would contract to:
- Purchase the First Phase Land for a pre-agreed sum
 - Extend road and utilities infrastructure from their current development at Buckton Fields East to serve the remaining NCC Land providing the County, and their successors in title, the right to connect to the road and utilities infrastructures for subsequent development phases at BFW.
 - Provide this infrastructure to the boundaries of the local centre and primary school land parcels.
 - Construct a balancing pond in the south-west corner of the site, under licence on NCC’s retained land, which would be sized to provide capacity for the First Phase Land
- 3.5 By working with BMHG an early capital receipt could be derived and the remainder of the Councils land holdings serviced to allow for later stages of development.

3.6 Plans for the provision of the north-west relief road are being actively progressed and money released from the development of Buckton Fields can be used to assist in funding these proposals.

Maplefields - Former Orchard Special

3.7 The property was closed after a re-provision of the services. The property was subsequently declared surplus by Cabinet on 12th June 2012 and as part of this decision Cabinet *'delegated to the Head of Asset Management of LGSS, in consultation with the relevant portfolio holder, the power to approve and authorise the execution or signature of all documents and agreements necessary to complete the disposal'*

3.7 Since the property was declared surplus, there have been extensive negotiations with a community user who wish to set up a facility in part of the former premises, which the County has been happy to support, but negotiations with regards to their requirements have delayed the marketing process.

3.8 NCC has subsequently secured residential consent on the majority of the site. The remainder of the site, which is to be included within the sale to the developer, will be subject to an obligation for the developer to enter into a lease with the Community User to enable a Community Centre to be delivered on site. This obligation would impose a requirement to provide an access to the community facility and separate the necessary services, so that the property is capable of use in isolation from the remainder of the site.

3.9 NCC have received a number of unsolicited offers on the site however the site was not openly marketed. NCC commissioned an independent "Red Book" valuation, which highlighted a "best consideration" issue on land to be made available for community purposes, but also that the offers received by NCC on the Red Land were in excess of the levels that the Valuer felt (in their professional opinion) the site would achieve if openly marketed. The offer which NCC has received can, therefore, be considered as coming from "Special Purchasers" and it is considered appropriate to treat with them without further exposure to the market. Section 123 of the Local Government Act 1972 is not explicit about the way in which best consideration is ascertained. It is usual, however, to expose a property to the market as a whole, in order to establish the highest price. In this case the Council would be relying on a valuation undertaken in compliance with the Royal Institution of Chartered Surveyors requirements from an independent third party Valuer and this does comply with the requirements around best consideration without full marketing.

3.10 The decision to impose an obligation to allow for the community facilities, however, will have the effect of taking less than best consideration for the site as a whole. Disposals on this basis fall outside of normal delegations.

3.11 The total amount that the County would forgo, with reference to the value for residential development of the land to be dedicated for community purposes and obligations to make the property capable of isolation from the remainder of the site, is estimated to be in the order of £155,000.

Land at Pytchley/Wicksteed

- 3.12 Cabinet of 11 November 2014 declared the Council's remaining holding at Lower Lodge Farm, Pytchley surplus to requirements and authorised its disposal on terms to be agreed by the Director of Finance in consultation with the Cabinet Member with responsibility for Finance, Performance and LGSS.
- 3.13 Part has been disposed of to adjoining landowners at market value.
- 3.14 The remainder is landlocked and development potential is seen as essentially nil for commercial returns. The Wicksteed Charitable Trust, whose Park is adjacent to these areas of land; believe they will be suitable for a sustainable wetland habitat which will help to increase the park's offering. The options will become clearer as the technical solutions are explored with the Environment Agency. The proposals will result in an improved facilities for the residents of the County.
- 3.15 Discussions with the Trust now indicate that there is only a willingness to pay a nil or nominal amount, although it is able to offer drainage access across its adjoining land that may result in savings to the authority.
- 3.16 The management of the land in isolation, with regular unauthorised access, is seen as outweighing any likely financial returns that the site might offer. It has cost up to £2,000 a year to secure and maintain the holding. It still arguable, however, that the land has a value that exceeds the total current offer from the trust. The consideration of this "less than best" return is, therefore, being brought back to Cabinet as it falls outside of normal delegations.
- 3.17 The total amount that the County would forgo, with reference to the land's value for agricultural purposes, with the constraints in place and with allowance for the value of the rights to be granted, is estimated to be in the order of £19,000.

4. Consultation and Scrutiny

- 4.1 Consultation has been undertaken with relevant Cabinet Members in the drawing up of this report. Council officers have contributed to the proposals set out in the report. Legal and financial advice has been provided.

5. Equality Screening

- 5.1 An Initial Equality Impact Assessment has been undertaken.

If there are no equalities implications, please indicate why using the options below:

Reason that no EqIA is required	✓ as appropriate
The paper is for information only	
The proposal/activity/decision has no impact on customers or the service they receive	✓
The proposal impacts upon staff but the proposed staffing changes will not affect the service that customers receive*	
Other (please explain further)	

* where a proposal affects staff, the appropriate HR processes will be followed, which have already been subject to the EqIA process and will be compliant with HR legislation

Environment, Development & Transport:

<http://www.northamptonshire.gov.uk/en/councilservices/Council/equalities/Pages/egceia.aspx>

6. Alternative Options Considered

Buckton Fields

- 6.1 To retain the land in existing use. This option was rejected as it would not offer a similar level of receipt or offset management costs.
- 6.2 Delay the sale. With the progress on the North-West relief road, releasing the site for sale, as quickly as possible, will assist in the bringing forward of this infrastructure project. The current proposal would assist in the meeting of the financial targets for the current year which might otherwise be jeopardised

Maplefields

- 6.3 To retain the land in existing use. This option was rejected as it would not offer a similar level of receipt or offset management costs.
- 6.4 Delay the sale. The sale of this land makes up an important element of the Council's Capital Programme, which it would find difficult to replace through other means. The current proposal would assist in the meeting of the financial targets for the current year which might otherwise be jeopardised
- 6.5 Sell without facilitating the Community element. Whilst this would increase the receipt, it would forgo the opportunity to improve the social well being of the local area.

Pytchley

- 6.6 To retain the land in existing use. This option was rejected on estate management grounds
- 6.7 Delay the sale. This option was rejected on estate management grounds.
- 6.8 Offer the site more widely to the market. Whilst this may increase the receipt, it would forgo the opportunity to improve the social well being of the local area.

7. Financial Implications

Regarding disposal at less than best consideration:

- 7.1 By agreeing to a disposal where the Council recognises non-monetary benefits in the overall transaction the Council will be making a disposal at less than best consideration.
- 7.2 Under s123 of the Local Government Act 1972, any disposal by the Council of an asset in excess of 7 years (including leasehold interests) must obtain "best consideration", unless the General Disposal Consent (England) 2003 can be applied or a specific consent is obtained.

7.3 The General Consent allows specified circumstances where the consent can be applied.

- a) the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area;
 - i) the promotion or improvement of economic well-being;
 - ii) the promotion or improvement of social well-being;
 - iii) the promotion or improvement of environmental well-being; and
- b) the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000 (two million pounds).

7.4 It is considered that the proposals would contribute to the achievement of the promotion or improvement of social well-being. In the case of the Maplefields (Orchard) site this would be in the form of a community facility and, in the case of Pytchley, would be an enhanced facility for user of Wicksteed Park and also nature conservation benefits, from active management of the land as a wetland habitat. In resolving to sell on the basis of less than best consideration, the Cabinet should reference to and be satisfied of these benefits

Financial Summary	Current year	Forecast		
	2016-17	2017-18	2018-19	2019-21 & beyond
	£000	£000	£000	£000
Capital Investment				
Costs	0	0	0	0
Funded by	Not Applicable			
On-going costs (revenue)				
Costs - Staffing	0	0	0	0
Other	20	75	25	25
Total on-going costs (revenue)	20	75	25	25
Funded by	Asset Utilisation Reserve			

What benefits will the proposal deliver?	<ul style="list-style-type: none"> • Value for money • Cost effectiveness • Efficiency savings (cashable and non cashable) • Return on investment
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8. Risk and Business Continuity Management

a) Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
It is not possible to reach agreement on sale terms	The existing arrangement continues.	Green
The site is developed for higher use values at a later date.	Incorporate uplift clauses in the sale agreement.	Green

b) Risk(s) associated with not undertaking the proposal

Risk	Risk Rating
Pressure on the capital receipts target and capital programme.	Amber

9. List of Appendices

None.

Author:	Name: Rob Scott – Group Asset Manager Team: Property & Strategic Assets
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Background Papers:	None
Does the report propose a key decision is taken?	YES
If yes, is the decision in the Forward Plan?	NO
Will further decisions be required? If so, please outline the timetable here	NO
Does the report include delegated decisions? If so, please outline the timetable here	YES. It is expected that delegated decisions will be made as the details of transactions are established. These should be expected between January and May 2017.
Is this report proposing an amendment to the budget and/or policy framework?	NO
Have the financial implications been cleared by the Strategic Finance Manager (SFM)? Have any capital spend implications been cleared by the Capital Investment Board (CIB)	YES Name of SFM: Damon Lawrenson N/A
Has the report been cleared by the relevant Director?	YES Name of Director: Tony Ciaburro
Has the relevant Cabinet Member been consulted?	YES Cabinet Member: Robin Brown
Has the relevant scrutiny committee been consulted?	NO Scrutiny Committee:
Has the report been cleared by Legal Services?	YES Name of solicitor: Duncan Bisatt
	Solicitor's comments: Incorporated into the report
Have any communications issues been cleared by Communications and Marketing?	YES Name of officer: Joni Ager
Have any property issues been cleared by Property and Asset Management?	YES Name of officer: James Wheeler
Are there any community safety implications?	None arising directly from this report
Are there any environmental implications:	None arising directly from this report

Are there any Health & Safety Implications:	NO
Are there any Human Resources Implications:	NO
Are there any human rights implications:	NO
Constituency Interest:	Moulton – Cllr Shephard Clove Hill – Cllr Parker Wicksteed – Cllr Roberts