

Executive Board – 22 June 2021

Subject:	Disposal of Haywood Playing Field
Corporate Director(s)/Director(s):	Wayne Bexton, Interim Corporate Director for Growth and City Development
Portfolio Holder(s):	Councillor David Mellen, Leader and Portfolio Holder for Strategic Regeneration
Report author and contact details:	Margaret Coward- Senior Regeneration Officer, Regeneration Margaret.coward@nottinghamcity.gov.uk Nicki Jenkins – Director of Economic Development and Property Nicki.jenkins@nottinghamcity.gov.uk
Other colleagues who have provided input:	Emma Wilcock – Senior Surveyor, Property & Acquisitions
Subject to call-in:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Key Decision:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Criteria for Key Decision:	
(a)	<input type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision
and/or	
(b)	Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input type="checkbox"/> No
Type of expenditure:	<input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
Total value of the decision:	See exempt appendix
Wards affected:	Bestwood
Date of consultation with Portfolio Holder(s):	15/03/21, 12/04/21, 26/05/21
Relevant Council Plan Key Theme:	
Nottingham People	<input type="checkbox"/>
Living in Nottingham	<input checked="" type="checkbox"/>
Growing Nottingham	<input type="checkbox"/>
Respect for Nottingham	<input type="checkbox"/>
Serving Nottingham Better	<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
	This report proposes that the former Haywood School Playing Field site is declared surplus and is sold on the open market for residential development. The capital receipt is part of the Capital Programme that was agreed by Executive Board on 23/02/21.
Exempt information:	
	An appendix to the report is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the financial and business affairs of the Authority and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because it contains details relating to the proposed sale price for development land that has not been marketed, the disclosure of which may prejudice the Council's position in future negotiations.
Recommendation(s):	
1	To declare surplus to operational requirements 4.4 hectares of the former Haywood school playing fields west of Edwards Lane, Bestwood, which has been designated for residential development in the Local Plan Part 2 adopted in 2020

2	To declare surplus for operational requirements Housing Revenue Account (HRA) land required to create vehicular access from Hartcroft Road as set out in the exempt appendix.
3	To accept the conditions of the Secretary of State for Education's consent to dispose of the freehold interest of the site and confirm compliance with the conditions as set out in the exempt appendix.
4	To delegate to the Corporate Director of Growth and City Development, in conjunction with the s151 officer and Director of Legal and Governance, in consultation with the Leader/Portfolio Holder for Strategic Regeneration to agree the future Marketing Strategy and sale, including price.

1 Reasons for recommendations

- 1.1 Nottingham City Council's Asset Management Strategy involves the disposal of surplus assets to generate capital receipt in line with the priorities of the Recovery and Improvement Plan. This decision is in line with this strategy and will generate a capital receipt to support the Council's Capital Programme and to reduce debt.
- 1.2 The project will bring a former playing field into use and contribute towards the Council's pledge to provide 4,000 new homes, and contribute to the recently increased Local Plan housing delivery target. The site is anticipated to provide over 100 new family homes. The sale will seek a policy compliant scheme which will ensure that 20% of the new homes are affordable thus contributing to the Council's pledge of providing 1,000 new affordable homes.
- 1.3 The site has been designated for residential use in the Land and Planning Document and it is appropriate for this land to be declared surplus to enable marketing to commence. The delegation of this decision on the terms of sale and sale price will ensure that the site is brought forward and sale completed in a timely manner.
- 1.4 A timely sale is important as funding from the One Public Estate's Land Release Fund has been secured to help accelerate the development through funding the site preparation works.
- 1.5 The proposal will deliver a capital receipt to the City Council. This receipt will be maximised through providing as much developer confidence as possible by completing demolition works, provision of site investigations and informal planning guidance. The acceleration of the sale of the site will contribute towards the objectives of reducing the Council's debt and of achieving asset sales of £100m in the next 3 years contained in the Recovery and Improvement Plan.

2 Background (including outcomes of consultation)

- 2.1 There are several sites in the vicinity of Haywood where new build development is underway or at the procurement stage which will ensure that there is an appropriate mix of tenures on offer in this part of the city. It is therefore considered appropriate for this site to be market led and delivered, levering in external investment to the city.

- 2.2 4.4 hectares of the site is in the ownership of the General Fund. The land occupied by two houses to be demolished to provide vehicular access to the site is in the ownership of the HRA. Approval to rehouse the tenants and demolish these houses is the subject of a separate DDM currently in progress.
- 2.3 The Secretary of State for Education gave consent for the disposal of the Playing Field site in December 2019 under Part 1 of the Academies Act 2010 in respect of Beckhampton Pupil Referral Unit and Section 77 of the School Standards and Framework Act 1998 in respect of the playing field land. Conditions were attached to the consent as set out in the exempt appendix. The Council is required to confirm acceptance and compliance with these conditions by a letter signed by the Chief Executive, s151 officer and Director of Children's Services.
- 2.4 Consultation was carried out to support the application to the Secretary of State for Education to dispose of the freehold of the site and no objections were received. The site was subject to statutory consultation when allocated for residential development in the Local Plan 2020. Statutory process to consult have also been completed (2016) under Local Government Act 1972 s123(2A) regarding the Council's proposal to sell the land and no objections were received.

3 Other options considered in making recommendations

- 3.1 Not to sell the site. This option was rejected as it would be a missed opportunity by the City Council to contribute towards tackling the City's housing need by enabling development and would mean foregoing the capital receipt to be achieved on sale.

4 Finance colleague comments (including implications and value for money/VAT)

- 4.1 The Haywood site is included within the asset rationalisation programme, as the site is ringfenced by the Secretary of State for reinvestment into Education. Therefore, the capital receipt cannot be used to offset current capital receipt pressures.
- 4.2 Leaders Key Decision 3048 (January 2018), earmarked the receipt of this site to be used to fund the expansion of Middleton Primary School. Due to the timing of the capital expenditure and securing the capital receipt, the Council has allocated Department for Education Basic Needs Grant as a temporary funding solution until the receipts are realised.
- 4.3 The receipt from the sale of this site will replenish the Basic Need Grant used as part of the Middleton Primary project.

Tom Straw – Senior Accountant (Capital Programmes) 10th May 2021

5 Legal and Procurement colleague comments (including risk management issues, and legal, Crime and Disorder Act and procurement implications)

- 5.1 Legal Services have recently been instructed to carry out an investigation of the land by way of a Report on Title. This report has commenced and is at the date of this advice currently underway. Therefore, Legal Services comments at this stage should be considered on the basis only of information provided from discussions with instructed Surveyors from Property Services, and general law of the conveyancing process for land of this nature, until such time as the full Report on Title is finalised. Legal Services will of course feed

back any areas of concern to instructing Surveyors following the full Report on Title.

- 5.2 The Report on Title should include a review of the registers of title held at the Land Registry and the Council's own internal records and deeds. Commercial Property searches could be undertaken to review and comment upon but bearing in mind the likely length of time between such searches and a disposal to a purchaser developer, and as any purchaser will wish to commission and rely upon their own searches, Property colleagues have decided not to undertake commercial property searches in this instance. A Report on Title will generally highlight the rights, covenants and other encumbrances that may affect the land and which often need consideration before disposal of the land on the open market to a developer. A Report on Title will also assist mitigation of any risk issues revealed or highlighted.
- 5.3 Legal Services advise that in relation to recommendation 1 and 2, if not already undertaken, it will be important to ensure that all relevant colleagues and departments within the Council (particularly those in Education) have been consulted in the processes surrounding the declaring of educational land surplus, and in addition it will be important to note that the disposal of the HRA land must comply with the requirements of the relevant 2013 General Consent (which allows disposal of HRA land).
- 5.4 In relation to the conditions imposed by the Secretary of State for Education on the consent to dispose, we understand that consent has been given in writing and that the Council is agreeable to the conditions being placed on it in order to allow disposal. The Council will need to ensure that these conditions are complied with following completion of the sale.
- 5.5 We would recommend that if Property Services intend to settle broad commercial terms for the documentation to be entered into prior to settling upon a purchaser developer, by way of heads of terms for example, that colleagues in Legal Services be consulted as we may be able to assist with additional advice, drafting or provisions within those draft heads of terms.
- 5.6 Legal Services are advised that this will be a land sale only and as such there will be no compulsion or obligation on the purchaser to develop or deliver a specific scheme, therefore this should not raise any issues in relation to the procurement of a specified development.

Mick Suggett, Solicitor: Conveyancing Team Leader: 5th May 2021

6 Strategic Assets & Property colleague comments (for decisions relating to all property assets and associated infrastructure)

- 6.1 Property Services comments are contained in the Exempt Appendix attached to this report.

Beverley Gouveia, Development & Disposals Manager, Property Services.
10th May 2021

7 Social value considerations

- 7.1 A new homes development of this size will help create employment and deliver a mix of new housing for the betterment of local and city residents.

8 Regard to the NHS Constitution

8.1 N/A

9 Equality Impact Assessment (EIA)

9.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because the approval does not contain proposals for new or changing to policies, services or functions.

Yes

Attached as Appendix x, and due regard will be given to any implications identified in it.

10 List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

10.1 None

11 Published documents referred to in this report

11.1 Executive Board report - Proposed review of current arrangements for services to pregnant teenagers/teenage parents - February 2016

11.2 Leaders Key Decision 3048 – Nottingham Homelessness Reduction and Cold Weather Plan – January 2018

11.3 Executive Board report – Treasury Management Strategy 2021/22 & Capital and Investment Strategy 2021/22 - February 2021