

EXECUTIVE BOARD – 18th June 2019

Subject:	The Promotion and Sale of land at Gamston, Nottingham
Corporate Director(s)/Director(s):	Chris Henning, Corporate Director of Development and Growth
Portfolio Holder(s):	Councillor David Mellen, Leader of the Council
Report author and contact details:	Rod Martin, Development Manager, Development and Growth, 0115 8763075. rod.martin@nottinghamcity.gov.uk
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 checked="" 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:	Outside the City
Date of consultation with Portfolio Holder(s):	
Relevant Council Plan Key Theme:	
Strategic Regeneration and Development	<input checked="" type="checkbox"/>
Schools	<input type="checkbox"/>
Planning and Housing	<input checked="" type="checkbox"/>
Community Services	<input type="checkbox"/>
Energy, Sustainability and Customer	<input type="checkbox"/>
Jobs, Growth and Transport	<input type="checkbox"/>
Adults, Health and Community Sector	<input type="checkbox"/>
Children, Early Intervention and Early Years	<input type="checkbox"/>
Leisure and Culture	<input type="checkbox"/>
Resources and Neighbourhood Regeneration	<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
The report recommends the Council enter in to a Promotion and Sale agreement in respect of 79 acres or thereabouts of land at Gamston, Nottingham. The land is currently farmed. The proposed agreement will bring about the lands change of use and sale as part of the Gamston Sustainable Urban Extension. Receipts from the sale of the land will be reinvested and used to support services to citizens.	
Exempt information: State 'None' or complete the following	
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 sale of land 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 includes terms of the proposed Promotion and Sale agreement which if disclosed will prejudice negotiations relating to the proposed agreement	
Recommendation(s):	
1 To enter in to a Promotion and Sale Agreement of land at Gamston identified edged red on the attached plan on the terms set out in the exempt appendix	
2 To approve the taking and granting of any rights, licences, easements and wayleaves required over both adjoining and Council owned land to facilitate the sale of the Council's land and development of the Gamston Sustainable Urban Extension	

- 3** To delegate authority to the Director of Strategic Assets and Property to agree variations to the terms set out in the exempt appendix. Any material variations will be agreed in consultation with the Portfolio Holder for Strategic Property.

1 REASONS FOR RECOMMENDATIONS

- 1.1 Entering in to the proposed Promotion and Sale agreement on the basis of the terms set out in the exempt appendix will ensure that the Council owned land within the Gamston Sustainable Urban Extension (SUE) allocated in Rushcliffe Borough Council's Local Plan is promoted and bought forward for development on an equal footing with other land ownerships within the SUE. The Promotion Agreement ensures that all costs associated with promoting the land through the planning process to the point of sale are initially met by the promotor to be refunded on sale of the land.
- 1.2 The company that has been selected to promote the Council's land specialises in land promotion and has the specialist skills required to work with both Rushcliffe Borough Council and other land owners and their representatives within the Gamston SUE to bring forward comprehensive development and maximise the returns to the Council.
- 1.3 The Council's land forms only part of the Gamston SUE. The whole of the SUE is to be master planned and developed as a single development, all be it delivered in phases. As such, it will be necessary to enter in to agreements with adjoining landowners and utility companies to facilitate the development of both the Council owned land and adjoining land.
- 1.4 Throughout the Legal process it may be necessary to vary the agreed Heads of Terms to facilitate the final commercial agreement and it is recommended that the ability to vary the terms is delegated to the Director of Strategic Assets and Property to ensure that the legal process is not unduly delayed.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 The Gamston SUE is allocated in the adopted Rushcliffe Borough Local Plan for mixed use development incorporating 4,500 new homes. The allocated area, shown edged black on the attached plan, covers 591 acres or thereabouts. There are 5 land owners within the Gamston SUE. The City own 79 acres (13.4%) or thereabouts of the land. This is shown hatched black on the attached plan.
- 2.2 Since the allocation of the land in 2014 the land owners representatives, including City Council officers and their appointed agents, have met regularly with a view to progressing the allocation through the planning process on to development. However, due to the relatively large number of land owners, the high cost of promoting the land and the complexity of the issues involved it has not been possible for all land owners to reach agreement on a cohesive approach to promoting the land.
- 2.3 Since April 2017 Rushcliffe Borough Council, as the Local Planning Authority with an interest in seeing the Gamston SUE bought forward for development, has Chaired the landowner / stakeholder meeting. Through these meetings it has become clear that, in order to progress the City Council position on an equal footing with the other land owners, like the other land owners, it is necessary to enter into a Promotion and Sale agreement with a developer.

- 2.4 To ensure that the allocation is bought forward in a timely manner it is most appropriate for the Council to enter into a Promotion and Sale agreement with a developer who already has an interest in the Gamston SUE. This will minimise as far as possible the number of parties to any future Collaboration agreement required to facilitate the creation of a site wide masterplan and submission of a planning application.
- 2.5 The recommended developer partner and the Heads of Terms that are contained in the exempt appendix are a result of discussions and negotiations that have been held between Council officers and their agents with all developers that have an interest in the Gamston SUE.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Not to enter a Promotion and Sale agreement with a developer partner. This option was rejected as the advantage to the Council of such an agreement is that the third party will use their specialist skills to maximise the Council's position whilst meeting all of the upfront planning and infrastructure costs to be repaid on the sale of the Council's land, in return for a fee.

4 FINANCE COLLEAGUE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 4.1 Property trading account will lose annual rental income from the sale, but the capital receipt from the disposal will support either future investment purchases or will be used to improve the standard of other traded properties to generate more income. It is not anticipated that there will be any revenue costs falling to the Trading account associated with the proposed agreement as these will be initially met by the Promotor and deducted from the eventual capital receipt.

Mandy Bryce, Senior Commercial Business Partner, 24 May 2019.

5 LEGAL AND PROCUREMENT COLLEAGUE COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

- 5.1 The proposals set out in the report will require detailed input from Legal Services in order to complete the necessary legal formalities. This may also include the use of external legal advisors given the specialist nature of the transaction. In order to cover this eventuality appropriate budget provision will need to be put in place as part and parcel of the transaction approval process.

Malcolm R. Townroe, Director of Legal and Governance – 29 May 2019

6 STRATEGIC ASSETS & PROPERTY COLLEAGUE COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE)

- 6.1 As a report both written and promoted by Strategic Assets & Property, the proposals and recommendations contained within the report are fully supported.

7 SOCIAL VALUE CONSIDERATIONS

- 7.1 None

8 REGARD TO THE NHS CONSTITUTION

8.1 None

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:

(Please explain why an EIA is not necessary)

The decisions do not comprise changes 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 None