

**REPORT OF THE LEADER OF THE COUNTY COUNCIL****LINDHURST DEVELOPMENT SCHEME UPDATE****Purpose of the Report**

1. To report back to Committee on work undertaken to date on the options for future phases of the Lindhurst Development Scheme ('the Scheme').
2. To seek approval for the proposed option to dispose of the future phases without incurring additional capital expenditure or the additional risk associated with delivering further infrastructure and specifically to move forward to the implementation of Phase Two as outlined in the report.

**Information**

3. The Scheme is a major undertaking through a complex partnership arrangement to provide 1,700 new homes, including affordable housing, over 40 acres of high-tech offices and commercial and industrial premises, a new school and many other much needed community facilities.
4. The report to Policy Committee on 28 March 2018 informed Members of Phase One progress. Sales completions of Phase One have now concluded with all the residential plots sold to three major housebuilders with a total plan to deliver 519 residential units.
5. Construction of houses has commenced with a number already completed and sold to occupiers. Phase One also included the delivery of substantial highways infrastructure for the provision of spine roads and improvements to the existing highways network in order to accommodate the additional traffic generated by the new development.

**The Proposed Approach for Future Phases**

6. The phases of development for the Scheme are based upon an agreed masterplan and an outline planning permission granted by Mansfield Borough Council in 2013. The County Council's Finance & Property Committee was informed of the proposed phasing approach at its meeting on 19 September 2016.
7. The Lindhurst Group ('the Group'), with professional support from technical advisors, has reviewed the approach taken by the parties for Phase One in addition to undertaking a financial review of the project's cash flows. These reviews have ensured that the Group do not contravene the conditions of the planning permission.
8. The Group has also received speculative expressions of interest from third parties with alternative development proposals than previously envisaged by the parties for the

Scheme. These proposals and those of the Group require careful consideration in order to ensure best financial consideration for the Council and also to ensure that any proposals coming forward meet the Councils overarching policy objectives which support economic growth in the County.

9. The Group has considered the next phases of the Scheme with the objectives of repaying the Homes England loan at the earliest possible opportunity and therefore reduce the cost of servicing the debt; to ensure that no third party funding is required for the Scheme thereafter; to return development costs and values to the Principals at the earliest reasonable opportunity and to maximise returns at the earliest reasonable opportunity; and, to mitigate risk as far as is possible. Detailed financial appraisals of each option have been undertaken. Based on these appraisals, the Group concludes that the financial rewards and reduced risk elements make the option to dispose of the sites without additional capital outlay to be the preferred way forward.
10. In summary, there are two approaches for delivering future phases. The first option is to incur additional capital expenditure for internal infrastructure works (including construction of spine roads etc.). This option is likely to result in the Group dealing with a series of developers for small land parcels. The second, and preferred option, is to dispose of the future phases without incurring additional capital expenditure or the additional risk associated with delivering further infrastructure.

### **Phase Two Proposed Approach**

11. If the proposed approach is approved the Group will proceed to take forward Phase Two to the market without additional capital expenditure on additional infrastructure. Phase Two includes the local centre and associated commercial uses, residential development including affordable housing, the medical centre, community uses and the school.
12. A further report seeking approval to disposal of land under Phase Two will be brought back to Policy Committee at a later date.

### **Statutory and Policy Implications**

13. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **Reason/s for Recommendation/s**

14. To ensure the continued viability of the project to provide 1,700 new homes, including affordable housing, over 40 acres of high-tech offices and commercial and industrial premises, a new school and many other much needed community facilities in the area

## **RECOMMENDATION/S**

It is recommended:

- 1) That Policy Committee approves the proposed option to dispose of the future phases without incurring additional capital expenditure or the additional risk associated with delivering further infrastructure and specifically to move forward to the implementation of Phase Two.

**Councillor Mrs Kay Cutts MBE**  
**Leader of the County Council**

**For any enquiries about this report please contact:** Steve Keating, Estates Surveyor –  
Tel: 0115 9939397

### **Constitutional Comments (SSR 27.11.2018)**

15. The recommendation set out in this report falls within the scope of decision which may be approved by Policy Committee

### **Financial Comments (GB 09.01.2019)**

16. There are no direct financial implications as a result of this report. The proposals outlined in the report are based upon detailed financial appraisals which support the options recommended and are predicted to provide a more favourable financial return to the Council. Further approvals regarding approval to dispose of land will be required as the project progresses.

### **Background Papers and Published Documents**

None.

### **Electoral Division(s) and Member(s) Affected**

Ward(s): Sutton Central & East, Mansfield South  
Member(s): Cllr Samantha Deakin, Cllr Stephen Garner, Cllr Andy Sissons