

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

1. To update the Policy Committee on the Lindhurst Development Scheme and to seek approval for the Council to draw down additional funds from the Scheme's existing allocation in the Capital Programme.
2. That delegated authority is given to the Corporate Director, Place in consultation with the Service Director for Finance, Infrastructure & Improvement, and the Group Manager for Legal Services to finalise the terms of agreement in respect of this.

Information

3. This report contains an exempt appendix, which is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended) (Information relating to any individual and the business affairs of a particular person (including the authority holding that information)). The exempt appendix provides details of the terms agreed. Disclosure of this information would prejudice the parties' commercial interests.
4. The Lindhurst Development Scheme is a major undertaking through a complex partnership arrangement. The Scheme was faced with significant challenge through the process to secure planning permission. In addition there have been delays in exact timings of securing land sales because of a range of technical matters. However, the scheme has made significant positive progress recently. The last report to Policy Committee on 28 March 2018 informed Members of Phase One progress. Sales completion 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. This Committee (28 March 2018) authorised the Corporate Director for Place to consider, in consultation with the Chair of Policy Committee, future options for Phase 2 of the scheme and provide a further report to Policy Committee on future proposals.

Background to the Collaboration Agreement

5. The three land owners, Lindhurst Jersey Ltd (LJL), W Westerman Ltd. (WWL) and Nottinghamshire County Council, entered into a Collaboration Agreement in June 2010 to promote their land for development as collaboration partners known as the Lindhurst Group (LG). Under the terms of the Collaboration Agreement the three land holdings are 'pooled' and the costs and income derived from the scheme are apportioned between the parties in accordance with their respective shares.

6. There have been a series of Supplemental additions to the Collaboration Agreement. In March 2015 the Council entered a Third Supplemental Agreement to the Collaboration Agreement. The Third Supplemental Agreement made arrangements for the Lindhurst Group to receive loans and/or grants. Subsequently, the LG applied for a principal loan from Home and Community Agency (now known as Homes England, HE) Loan. As a Government agency, Homes England recognises the significant contribution large sites make to the provision of future housing and new communities. Large sites, such as the Lindhurst Scheme, are a focus for government support but are recognised as complex to deliver. Loan funding in this instance is provided for site preparation and the infrastructure needed to enable housing to progress and to prepare land for development. Government recognises the value of such loan facilities where there is a long timescale cash flow such as the Lindhurst scheme and where injections of funding will sustain momentum and therefore speed up the delivery of house building.
7. The Council is not a direct party to the HE Loan and no Legal Charge could be granted over the Council's land. The Council land could not be charged because local authorities cannot enter into such an arrangement under the restrictions of Section 13 Local Government Act 2003. The existing principal loan has therefore been taken out by WWL and LJI and security for new loan extension purposes to exclude Council land. The loan (interest and fees) is repayable from any income as development costs under the Collaboration Agreement.
8. To assist in the cash flow matter the Group is looking to input further capital on the basis of the proportions as set out in Paragraph five above. The rationale for this contribution is explained further in the Exempt Appendix.

Statutory and Policy Implications

9. 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

10. 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

- 1) That approval is given to draw down additional funds from the Scheme's existing allocation in the Capital Programme; and
- 2) To delegate authority to the Corporate Director, Place in consultation with the Service Director for Finance, Infrastructure & Improvement, and the Group Manager for Legal Services to agree the terms on which any such additional sums are contributed to the Scheme.

Councillor Mrs Kay Cutts MBE
Leader of the County Council

For any enquiries about this report please contact: Steve Keating, Estates Surveyor –
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Constitutional Comments [SSR 25/06/2018]

11. The decision falls within the scope of matters that may be approved by Policy Committee

Financial Comments [JPEG 25/06/2018]

12. The financial implications are set out in the report.

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