

13 October 2014

Agenda Item: 5a

REPORT OF SERVICE DIRECTOR TRANSPORT, PROPERTY & ENVIRONMENT

PHASE 1B RESIDENTIAL DEVELOPMENT SITE, TOP WIGHAY FARM, HUCKNALL – DISPOSAL: RENEWAL OF APPROVAL

Purpose of the Report

1. To seek approval to the renewal of the previous approval to the sale of this site, subject to the amendments detailed in the exempt appendix.

Information and Advice

2. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972. Having regard to the circumstances, on balance the public interest in disclosing the information does not outweigh the reason for exemption because divulging the information would significantly damage the Council's commercial position. The exempt information is set out in the exempt appendix.
3. At its meeting on 11 November 2013, Committee approved terms for the disposal of this site. The terms for the proposed sale were contained within the exempt appendix to that Report. In addition, Members approved a proposal that, in the event that the proposed sale of the adjoining Phase 1A did not proceed to a legal completion, part of the capital receipt from the sale of the Phase 1B land would be used for the provision of offsite (common) infrastructure works, again as detailed in the exempt appendix to that Report.
4. The proposed sale of the Phase 1A commercial development site has failed to come to fruition, and is unlikely to be resurrected in the short or medium term. This is due to a downturn in the commercial development market for the type of development which was being proposed.
5. The draft Gedling Core Aligned Strategy has now been the subject of scrutiny at a Public Inquiry, conducted by a government Planning Inspector. The Inspector's report found the Gedling Core Strategy to be robust and following that Report, the Core Strategy has been formally adopted by Gedling Borough Council as local planning authority. The Core Strategy supports the development of an urban expansion area at Top Wighay Farm, comprising 1000 residential units, together with land for employment generating uses and community and infrastructure provision.

6. Phase 1B is the first of the phases of residential land to be brought to the market, and comprises an area of 4.23 ha (10.44 acres).
7. Despite significant progress on draft contract negotiations, it has not proved possible to exchange contracts with the proposed purchaser under the timetable laid down under the original approval. A decision therefore needs to be taken on whether to renew the Committee approval of 11 November 2013 or whether the property should be remarketed. This is required under the Council's Financial Regulations.
8. Whilst exchange of contracts has not taken place, it should be acknowledged that significant progress has been made towards an exchange of contracts. It is considered that the terms originally approved still represent the best value which could be achieved in the market at the present time, and as such can still be regarded as robust. This is a view shared by the Council's retained agents, Jones Lang Lasalle. On balance, therefore, it is recommended that the previous approval should be renewed, subject to the amendments detailed in the exempt appendix.

Other Options Considered

9. The only realistic alternative to renewing the existing Committee approval would be to terminate negotiations with the selected party and to return the site to the open market seeking new expressions of interest. With 11 months having elapsed since the original Committee approval, Members might consider that this party has had plenty of time in which to exchange contracts, but has failed to do so, and that the opportunity might now be taken to return the property to the market. If this course of action is adopted, however, it must be borne in mind that securing a deal with a new party will be a lengthy process and would take longer than persevering with the existing proposal. Additionally, it is not expected that better terms and conditions for the disposal could be achieved on a re-marketing exercise. On balance, therefore, this option is not recommended.

Reason/s for Recommendation/s

10. To allow further time in which to secure an exchange of contracts for the disposal of Phase 1B at Top Wighay Farm.

Statutory and Policy Implications

11. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

- 1) That the renewal of the approval to the sale of this site be approved, subject to the matters detailed in the exempt appendix.

Jas Hundal
Service Director – Transport, Property & Environment

For any enquiries about this report please contact:lan Brearley 0115 977 4840

Constitutional Comments (CEH 17.09.14)

12. The recommendation falls within the remit of the Finance and Property Committee by virtue of its terms of reference. When disposing of its land the Council is required to obtain the best price reasonably obtainable on the open market and Members of the Committee should satisfy themselves of this before approving any recommendation to dispose of land.

Financial Comments (TR 23/9/14)

13. The financial implications are set out in the exempt appendix to the report.

Background Papers and Published Documents

14. None.

Electoral Division(s) and Member(s) Affected

15. Ward(s): Newstead
Member(s): Councillor Chris Barnfather

Nearby Ward Members

Ward(s): Hucknall, Kirkby- in- Ashfield South
Member(s): Councillor John Wilkinson
Councillor John Wilmott
Councillor Alice Grice
Councillor Rachel Madden

File ref.: /IB/SB/
SP: 2711
Properties affected: 00077 - Top Wighay Farm