

15 October 2012**Agenda Item: 5(a)****REPORT OF SERVICE DIRECTOR - TRANSPORT, PROPERTY &
ENVIRONMENT****OPTION AGREEMENT FOR ACCESS TO ROLLS ROYCE SITE, HUCKNALL****Purpose of the Report**

1. To seek revised approval to grant an option to Rolls Royce to purchase land from the Council to facilitate an access for a potential business park.

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 Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972.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. Rolls Royce maintains a healthy presence at the Hucknall site but has long seen much of the wider site as surplus to their immediate requirements. In 2007, Rolls Royce appointed consultants to prepare a case for proposals for a mixed development of employment and housing; land for future Rolls Royce expansion requirements; wider green / recreational space and a high quality science and technology park, served via a new road access from the A611 (Hucknall By-pass).
4. The development proposals put forward by Rolls Royce will create 2200 new jobs once the site is fully developed. This alongside Rolls Royce's ongoing commitment to the existing operations on the Hucknall site will help to provide a major boost to the economy and housing construction in this area. Accordingly, the development proposals are fully supported by the County Council.
5. It is proposed that the existing business park at the Rolls Royce site extends to 27 hectares, with approximately 32 hectares of housing land which is to be accessed via an existing road and other proposed means of access. The development of the business park will require a new access to be created from the A611 Hucknall bypass to the site. The road will occupy land owned by the County Council, which is currently a landscaped spoil tip, in the Green Belt, and has no intrinsic value. The County Council as highway authority supports the principle of the new access and would recommend that the Council supports the change to the Green Belt boundary. The new road will also require land owned by the City Council who are also supportive of the access agreement and development proposals for the site.

6. Approval was granted at Property Portfolio on 23 February 2010 for the County Council to enter into an option agreement enabling Rolls Royce to acquire the land to enable the construction of the access road which would serve land currently owned by Rolls Royce. Due to the timescales this original approval has now lapsed, a plan of the land required is shown outlined in blue in Plan 1.
7. In the event that the Rolls Royce land is sold above an agreed base figure, after the deduction of development costs, there would be a divisible land surplus, of which both the County Council and Nottingham City Council would receive an equal % of any increase in land value as detailed in the exempt appendix.
8. The County Council would receive an initial one off payment for granting this option, further information regarding the terms for the option agreement are contained within the exempt appendix attached to this report.
9. As with all development sites, commercial considerations will be to the fore. It is understood that through their developers (Muse Limited), applications for both Growing Places Fund and Regional Growth Fund have been submitted; the former via the D2N2 Local Enterprise Partnership and the latter, directly to the Government via the Department for Business, Innovation & Skills. The County Council's Economic Development team has supported Muse with both applications and further information is offered within the Exempt Appendix.

Other Options Considered

9. None, the granting of this option will be a major boost to the creation of jobs and economic wellbeing of Ashfield. It will also assist in generating a capital receipt for the County Council and through the creation of a roundabout will potentially assist in the Broom Hill site.

Reason/s for Recommendation/s

10. The Authority has no strategic requirement for the site.

Statutory and Policy Implications

11. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service 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 approval is given to The County Council entering into an option agreement on the terms outlined in the exempt appendix to this report and contained in more detail within the report approved on 23 February 2010.

Jas Hundal
Service Director - Transport, Property & Environment

For any enquiries about this report please contact: Luke Smith 0115 977 2082

Constitutional Comments (SSR 3-Oct-2012)

12. This decision falls within the matters that may be determined by the Finance and Property Committee.

Financial Comments (CS 2-Oct-2012)

13. The financial implications are as outlined in the Appendix. Any future surplus will generate a capital receipt, which will be used to fund the capital programme.

Background Papers

14. None.

Electoral Division(s) and Member(s) Affected

15. Ward(s): Hucknall
Member(s): Cllr Reverend Tom Irvine, Cllr Kevin Rostance, Cllr Mick Murphy

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SP: 2310

Properties affected: 62087 - Reclaimed Colliery Tip (Hucknall)