

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.

Information

2. The Lindhurst Scheme will help to provide new jobs and homes and improve prospects for the Mansfield area. It is a substantial new neighbourhood which will have 23 hectares of land earmarked for new businesses, build up to 1,700 new homes and provide a community park, shops and bus links. It will also include green routes, a new school, sports and other community facilities. This is therefore a major landmark development in the Mansfield area which will bring over £70m of investment, creating many jobs and economic growth opportunities from new businesses.
3. The three land owners, L JL, W Westerman and Nottinghamshire County Council, have entered into a Collaboration Agreement to promote their land for development in as collaboration partners. This area of land comprised of some 96.522 hectares (238.55 acres) which is located to the east of the Council owned Rushley Farm site. The master plan for the site is shown on Plan A attached to the report.

Update

4. The scheme has made significant positive progress since the last report to Policy Committee in November 2017. Phase 1 is nearing completion with all the residential plots sold or exchanged. The collaboration partners have a new development management team in place to review the potential for future phases.

Management and Control

5. The existing development management team's appointment which was set up to deal with phase 1 of the project and the Homes England (then Homes and Communities Agency) fund, came to an end in February 2018. A new development team was appointed by the collaboration partners, at the end of 2017, to deal with future phasing, operational systems and any outstanding issues from Phase 1.
6. A new reporting structure has been agreed, aligning the development cash flow with accounting reports to ensure greater financial management control for the future. The project will be managed with the requirement for prior budget approval for any expenditure relating to planning, procurement and construction expenditure. A development cash flow has also been prepared in line with accounting requirements

and to adhere to the funding conditions of Homes England.

7. The governance arrangements for decision making under the Collaboration Agreement requires the Council to make nominations of officers to fulfil the roles of: the Council's nominated representative and an authorised signatory to participate and implement decisions as a collaboration partner. To ensure the Council remains an effective partner, these nominations need updating. This is to reflect the staffing and recent structure changes in the Place Department. Previously the roles were filled by named individuals and not referring to their job titles. These officers were the Council's Service Director Environment, Transport and Property (as the Council's nominated representative) & the Corporate Director – Place (as the authorised signatory).
8. An update to these nominations would assign the Council's nominated Representative role to the new post of Service Director for Investment and Growth (and their nominated deputy from time to time) and for the Corporate Director Place to act as the authorised signatory for the purposes of the roles provided for in the Collaboration Agreement.
9. The Service Director for Investment & Growth (or their nominated deputy) will report to an internal project team led by the Corporate Director Place including the Service Director for Finance and the Team Manager for Legal Services. This approach will strengthen governance arrangements for the scheme going forwards.

Phase 1 Infrastructure

10. The main site contractor for the phase 1 infrastructure works, Buckingham, is nearing its completion of the works with the expectation of an end date in March 2018. There are still a number of issues to be resolved in relation to phase 1 including landscaping, drainage and obligations to undertake work on behalf of the housebuilders. These issues are being dealt with via a reserved matters approval to the landscaping and drainage to enable works to commence on site at the beginning of the September 2018.

Land Sales

11. Three leading house builders have acquired plots from the Lindhurst Group and will be responsible for building the houses on site.
12. Avant Homes have now completed the acquisition of plot 1 and the first payment has been received. There is an additional retained amount to be paid once the outstanding works in relation to the road have been completed and there will be a final payment in March 2019. Avant will deliver up to 93 residential units.
13. Barratt David Wilson Homes have completed contracts on plots 3A and 3B and the first part of the payment has been received. Further payments will be made in November 2018, May 2019 and the final payment in January 2020. BDW will deliver up to 280 residential units.
14. Contracts have been exchanged with Bellway and sale completion is anticipated during March 2018 with the first payment to be made on completion and a final payment to be made 12 months thereafter. Bellway will deliver up to 146 residential units.

Phase 2

15. Phase 2 is currently being reviewed by the new development team but the existing proposals are to continue with major housing development and commercial and community elements of the schemes. The overall development requires a focal point, a destination, which will provide the needs of the new community as well as the surrounding residential areas which otherwise have very little by way of facilities within easy walking or cycling distance. Within the local centre it is proposed to accommodate shops of a local centre style, retail and food outlets, with a mixture of office space included. There will be a local supermarket plus there is also provision for two pub/restaurants, a GP surgery and childcare facilities.

Future Phases

16. The new development team have presented the 2018 budget for approval by the Lindhurst Group and Homes England. The budget comprised the expected overheads, site wide costs including planning promotion, site marketing and Section 106 obligations. The budgets also provided for the Phase 1 outstanding works and infrastructure for the Phase 2 elements as described above. Outline budgets have also been proposed for the future phases of residential development and employment space including an Innovation Park. How these budgets are funded is set out below.

17. While the future phases are based upon an agreed masterplan the new development team are currently reviewing that plan and its delivery. They have provided initial thoughts as to layouts of uses, phasing and proposals for changes to the delivery approach. While these reviews are in the early stages they are indicating proposals which may lead to changes to the method of delivery and location of uses. The Group has also received approaches from third parties who are proposing different arrangements for delivery than previously envisaged. These proposals and those of the development team will require careful consideration in order to ensure best financial consideration for the Council and also to ensure that any proposals coming forward meet the Council's overarching policy objectives which support economic growth in the County. While these considerations are in the early stages of development it is proposed that a further report will need to be brought to committee on future proposals.

Funding

18. Homes England approval is required for all expenditure and investment decisions in relation to the site from the sales account until such time that the loan facility is repaid by the Lindhurst Group. The full details of the existing fund and bridging loan with Homes England were provided in the report to Committee dated 15 November 2017.

Statutory and Policy Implications

19. 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.

RECOMMENDATION/S

- 1) That the Corporate Director for Place be authorised 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;
- 2) That Policy Committee approve the nominations of the Service Director for Investment and Growth (or their nominee to act as deputy) to act as the Council's Representative and for the Corporate Director Place to act as the authorised signatory for the purposes of the roles provided for in the Collaboration Agreement .

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 09/03/2018]

20. The recommendations set out in this report fall within the scope of decisions that may be approved by Policy Committee.

Financial Comments [GB 07/03/2018]

21. 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