

REPORT OF THE LEADER OF THE COUNTY COUNCIL

LINDHURST DEVELOPMENT UPDATE: SITE DISPOSALS

Purpose of the Report

1. The purpose of this report is to provide an update on the Lindhurst Development Scheme and, to seek approval for the disposal of Phase Two (Residential) land in accordance with the Lindhurst Developers Collaboration Agreement (DCA).
2. To provide delegated authority to the Corporate Director, Place, in consultation with the Group Manager, Legal, Democratic and Complaints, the Service Director Finance, Infrastructure & Improvement, and, the Chairman (or Vice Chairman) of the Policy Committee to approve the final terms of the sale contracts as set out in the **Exempt Appendix** to this report.

Information

3. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972.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.

Background

4. The new Council Plan "Your Nottinghamshire, Your Future" sets out an ambitious vision for the future of Nottinghamshire in which the county is at the forefront of modern Britain. We want Nottinghamshire to be a place where young people and young families have the opportunity to put down their roots and live healthy and fulfilling lives. In order to achieve this, we know that quality housing in good locations is vital. We will therefore work with developers and the Government to bring forward new housing that meets the needs of our growing population and everyone who wants to build their future here.
5. The Council has further defined its ambitions in its Place Strategy 2019-21 by investing in opportunity areas the Council aims to unlock new jobs and deliver better housing. Key activities identified for Investing in Nottinghamshire in 2019/20 include bringing forward developments at Lindhurst, Mansfield.
6. By embracing the ethos of working with Government and developers in order to bring forward new housing, the Council has been very successful in working as a partner of the Lindhurst Group to kick start development activity. Phase One is well under way with land disposals already achieved to Avant, Barratt/David Wilson Homes and Bellway. The development saw 175 housing completions by the end of 2019. Making the best possible use of the land will make a critical contribution towards fulfilling the Council's ambitions for the county and for the housing needs of its communities.

7. This area of the County needs new opportunities for employment and housing for its economic and social wellbeing. The Lindhurst Scheme will help to provide new jobs and homes and improve the prospects for the whole area. It is a new neighbourhood which will create over 1700 homes, and associated community facilities.
8. The Council entered the Lindhurst Developers Collaboration Agreement (DCA) in June 2010 and subsequent Supplemental Agreements, with the principle aims: to share the risk in obtaining planning for the Lindhurst Scheme, maximise the value of the net developable land, procure the infrastructure to enable individual plots to be sold and share costs and income in “Agreed Proportions” as created by the DCA . The division of shared costs and shared income between the three parties being W Westerman, Lindhurst (Jersey), and the County Council.
9. All three parties join in each land sale contracts to ensure buyers are satisfied all beneficial interests are included in the sale. The individual land sale contracts do not though extend the Council’s liabilities beyond the arrangements as set out in the original DCA and in particular are to make it clear that the County Council does not have liability in any obligations to deliver site infrastructure and it is only Westerman and Lindhurst Jersey that will enter into any obligations to deliver infrastructure. In order to assist in the funding of the infrastructure the Lindhurst Group were successful in securing a loan facility from Homes England. The payment received for the disposal of Phase 2 Residential will be utilised to repay the final element of the loan and thus will remove interest payments from the cash flow as well as reducing the outstanding capital. No direct payment will be received by the Council at this stage of the development process, however, further income will see the Council receive 22.404% of net profit from site disposals.
10. The Lindhurst Group is in a position to commence the disposals of Phase Two with the first stage being the release of residential elements referred to as Phase Two (Residential). This comprises approximately 15 hectares of land with Outline Planning Permission for the residential development of approximately 475 dwellings, to include 170 affordable homes. Utilities and infrastructure are be provided to the boundary of the red line of the site and all services and infrastructure within the redline plan will be provided by the subsequent purchaser. The methodology for the marketing and disposal of Phase Two (Residential) is outlined in the Exempt Appendix of this report. A plan of the site is attached as an Appendix to this report.
11. Further information regarding the detail of the offers for Phase Two (Residential) is set out in the Exempt Appendix to this report.

Other Options Considered

12. As detailed in the Exempt Appendix.

Reason/s for Recommendation/s

13. To enable the sale of land in line with the Developer Collaboration Agreement and to secure a capital receipt to the Lindhurst Group and to provide much needed housing for this location.

Statutory and Policy Implications

14. 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

It is recommended that Policy Committee approves:

- 1) The disposal of Phase Two (Residential) land in accordance with the Lindhurst Developers Collaboration Agreement (DCA) to the preferred bidder on the terms outlined in the Exempt Appendix to this report.
- 2) Granting delegated authority to the Corporate Director, Place, in consultation with the Group Manager, Legal, Democratic and Complaints, the Service Director Finance, Infrastructure & Improvement, and, the Chairman (or Vice Chairman) of the Policy Committee to negotiate and finalise detailed terms of the sale contracts as set out in the Exempt Appendix to this report.

Councillor Kay Cutts MBE
Leader of the County Council

For any enquiries about this report please contact: Derek Higton, Service Director for Place & Communities, Tel: 0115 9773498

Constitutional Comments (SSR 14/02/2020)

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

Financial Comment (KRP 05/03/2020)

16. The financial implications of the proposed disposal are as set out in the Exempt Appendix.

Background Papers and Published Documents

- None.

Electoral Division(s) and Member(s) Affected

- Electoral Division: Sutton Central East, Mansfield South
- Member(s): Councillor Samantha Deakin, Councillor Stephen Garner, Councillor Andy Sissons