

REPORT OF THE LEADER OF THE COUNTY COUNCIL**DISPOSAL OF LAND AT DENEWOOD CRESCENT, BILBOROUGH -
REVISION****Purpose of the Report**

1. To seek approval to accept an amended bid from the preferred bidder.
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 approve any further amendment to the bid to reflect the costs of disposing of Japanese Knotweed subject to the conditions outlined in the report.

Information and Advice

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 Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972.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.
4. The Denewood Centre is a former school property which was used as both a staff training facility and Pupil Referral Unit (PRU) by Nottingham City Council as well as a training facility by Nottinghamshire County Council. The City Council used the above from 2004 until late 2013. The site is jointly owned by the County Council and Nottingham City Council, with the majority being owned by the County Council.
5. The County's landholding is approximately 2.43 Hectares (6.0 acres). This comprised the majority of the site of the original school buildings (approximately 7000m²) along with car parks, other hard-standing and grassed / landscaped areas.
6. The City's landholding is approximately 0.58 Hectares (1.43 acres). All the buildings have been demolished and the entire site is vacant.
7. A collaboration agreement between Nottinghamshire County Council and Nottingham City Council was drafted and signed in November 2016 and an outline planning application for residential use was made.
8. After the approval of the planning application in June 2018 a marketing campaign was launched with a final date for bids on Friday 19th October. 13 bids were received with offers far higher than expected.

9. The outline planning application submitted on behalf of the Councils proposed a housing development of circa 110 dwellings. Bids ranged between 69 and 140 units and proposals were for varying schemes including bungalows, 2, 3 and 4 bed houses and some dwellings for the private rented sector.
10. Over the past two years the site has been treated for Japanese Knotweed which had significantly spread. The site has been cleared throughout apart from a small area at the west. Some of the bids are subject to the clearance of the Knotweed and deductions may be made to reflect this.
11. Following detailed analysis of the bids, consultation with the planning team at Nottingham City Council and recommendations from the marketing agent, a preferred bidder was selected.
12. In the Policy Committee meeting on the 19th December 2018, the sale of the site to the preferred bidder was approved subject to various conditions, including planning and a suitable drainage strategy.

Revision

13. Since the approval of the preferred bidder, more detailed ground investigations were carried out by the developer. As a result, a number of issues arose which meant a higher cost to implement the drainage strategy.
14. The developer has requested a mechanism to allow for a capped deduction from the bid price to reflect the additional costs in implementing a suitable drainage solution. The additional costs are outlined in the exempt appendix.
15. The amended bid price after deduction of the additional cost of the drainage solution is still above the second bidder, especially based on a like for like number of proposed dwellings.
16. Since the site was marketed for bids the issue with Japanese knotweed has become worse and the weed has rapidly spread further across the site. A report on the costs of disposing of the weed has been produced by the developer and a further deduction will be necessary to reflect this cost.

Other Options Considered

17. Going back to best bids: As part of the bidding process, the bidders all attached various conditions to the bid. In the case of the highest bidder, the bid was subject to a suitable drainage solution. The total revised costs for the drainage solution are still lower than the proposed costs from the second bidder and going back to best bids is unlikely to provide a greater receipt for the Council.

Reason/s for Recommendation/s

18. To enable the sale of a surplus asset and to secure the best capital receipt to the County Council and to provide approximately 110 much needed new homes in the location.

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 approval is given to a capped deduction from the bid price from the preferred bidder.
- 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 approve any further amendment to the bid to reflect the costs of disposing of Japanese Knotweed subject to the conditions outlined in the report.

Councillor Mrs Kay Cutts MBE
Leader of the County Council

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Constitutional Comments (CJ 24/05/2019)

20. The recommendation falls within the remit of Policy Committee under its terms of reference. The Council is under a statutory obligation when disposing of land or buildings to obtain the best price reasonably obtainable on the open market. Therefore, members should satisfy themselves of this. If the Council has any retained land the effect on the value and use of it must be considered.

Financial Comments (GB 20/5/2019)

21. The disposal of land at Denewood Crescent is factored into the Authority's capital receipts forecast. This will be amended to reflect the value of the final capital receipt and the Authority's prudential indicators will be adjusted accordingly

Background Papers and Published Documents

- Policy Committee Report dated 19th December 2018.

Electoral Division(s) and Member(s) Affected

- Ward(s): Nottingham
- Member(s): None