

20 July 2015

Agenda Item: 5e

**REPORT OF SERVICE DIRECTOR TRANSPORT, PROPERTY &  
ENVIRONMENT**

**PROPOSED URBAN EXTENSION EAST OF GAMSTON/NORTH OF  
TOLLERTON - UPDATE**

**Purpose of the Report**

1. To seek approval to a legal framework for the County Council to work with the City Council and other private land owners who are currently members of the Gamston Consortium. The objective being to promote either an outline planning application or a supplementary planning document for the proposed Urban Extension East of Gamston/North of Tollerton.
2. To note arrangements to procure a funding partner.
3. To seek approval to modify the Capital Plan to accommodate proposed expenditure on the costs associated with the planning promotion and associated external professional advice as detailed in the exempt appendix.

**Information and Advice**

4. Some information relating to this report is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972.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 annex.
5. September 2014: Committee approved the conducting of a formal procurement exercise to identify a potential development partner to work with the County Council on the delivery of this project. This is a complex procurement exercise.
6. As the proposal between the consortium members advances, the rationale for seeking a development partner/funder has been revised and it is now proposed that the County Council should be seeking only a finance partner. The reasons for this change are outlined later in this report.
7. December 2014: Rushcliffe Borough Council (RBC) approved the first stage of its Local Plan Core Strategy Development Plan. This strategic planning document sets out the large housing and employment development sites within Rushcliffe borough up to 2028. The Local Plan identifies that land required for the Urban Extension East

of Gamston/ North of Tollerton is to be released from Green Belt. (*see attached plan 1 the allocated subject site.*)

8. January 2015: a legal challenge to the planning process for the adoption of the Rushcliffe Core Strategy was launched by Barton in Fabis Parish Council. It is understood that the legal challenge has now been withdrawn following the similar unsuccessful challenge against the Greater Nottingham Core Strategy.
9. The landowners known as the Gamston Consortium, of which the County Council is one, have to date collaborated on the basis of Memoranda of Understanding. The members of the consortium are continuing to work together but now recognise the need to replace the Memoranda of Understanding with a (legally binding) agreement to promote their respective parcels of land through planning and to eventual sale.
10. Due to the scale and complexity of the proposed development at Gamston the consortium members have agreed that it would be more practical and expedient if they exchanged two separate but related legal agreements.
11. The first of these will be what is known as a Planning Promotion Agreement. This document outlines how the consortium members manage and share the costs of promoting either the preparation of a Masterplan or Supplementary Planning Document (SPD) leading to an Outline Planning Application for the whole site. An SPD creates a planning policy for the area and becomes part of the RBC Local Plan where as a Masterplan is not officially part of the planning policy for the area.
12. The second legal document will be known as a Developer Land Collaboration Agreement. This will cover the complex and challenging issues of “equalisation” of land value, how Section 106 and infrastructure costs are shared, how the land sales are phased and proceeds distributed. It is likely that the Heads of Terms for this agreement can only be agreed once the consortium members have a clearer idea of the estimated sales proceeds and costs of the overall project. A further report on this agreement will be brought to a later meeting of the Committee, it is anticipated that this further report will also recommend the preferred funding partner for the County Council.
13. The overarching philosophy behind adopting the proposed two stage legal approach is based upon the need for a definitive master plan of the area to be prepared and the projected likely cost and revenues to be identified prior to the consortium members considering the Developers’ Land Collaboration Agreement.
14. The Gamston Consortium members have agreed in principal the Heads of Terms for the proposed Planning Promotion Agreement. A summary of the key terms of how the private and public land owners, developers and house builders propose to work together are contained in the attached appendix. For reasons of confidentiality the names of the parties and commercial sensitivity of the detailed financial arrangements that relate to specific terms are contained in the exempt appendix to this report.
15. The proposed Planning Promotion Agreement subject to committee approval will be drafted in accordance with the key terms as set out in the exempt part of this report. The Councils financial contribution to the planning promotion agreement will be met from a revised capital plan.

16. It is anticipated the initial Planning Promotion Agreement will be completed by September 2015. Negotiations concerning the second stage Developer Land Collaboration Agreement will be running in parallel to the preparing the consortium's planning case. The objective is that all parties will be in a position to sign the Developer Land Collaboration Agreement before any S106 or Rushcliffe BC adopts a Supplementary Planning Document. For the avoidance of doubt the Council will not be committed to enter into any planning obligations without first having secured funding.
17. We are also continuing to conduct a Procurement exercise to secure a funding partner and a report will be presented to a future Committee. It is anticipated that the procurement of the funding partner will only be completed once a successful planning strategy has been developed.
18. In view of the on-going and developing discussions with the Consortium Members and Rushcliffe Borough Council it now makes sense to pursue the planning by way of a Planning Promotion Agreement with the Council being responsible for their share of the cost of obtaining an outline planning consent. This therefore means that the Council will only have a requirement for a funding partner, who will provide the finance for the delivery of the development, in contrast to seeking a developer who would have options over the purchase of the Council's land, provide commercial advice and funding.

### **Other Options Considered**

19. The County has considered the option of promoting their land separately but this is not practical as Rushcliffe Borough Council wish to receive a single and comprehensive planning approach for all the land released from Green Belt. Further issues surrounding this matter are outlined in the exempt section of this report.

### **Reason/s for Recommendation/s**

20. To seek members consent to the proposed Planning Promotion Agreement in order to bring forward the development of the whole site.

### **Statutory and Policy Implications**

21. 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) To approve the Planning Promotion Agreement based on principle terms set out within the exempt appendix to this report.
- 2) To approve the procurement exercise of identifying a funding partner, subject to a future report which will provide details of the selection of the preferred finance partner.
- 3) To approve a variation to the Capital Plan to cover the costs associated with the planning promotion and associated external professional advice as detailed in the exempt appendix.

**Jas Hundal**

**Service Director – Transport, Property & Environment**

**For any enquiries about this report please contact: Oliver Dyke 0115 977 2395**

### **Constitutional Comments (SSR 30.6.2015)**

22. This decision falls within the scope of decisions which may be approved by the Finance & Property Committee.

### **Financial Comments (GB 24.06.2015)**

23. The financial implications are set out in the exempt appendix.

### **Background Papers and Published Documents**

24. None.

### **Electoral Division(s) and Member(s) Affected**

Ward(s): Ruddington, West Bridgford Central and South

Member(s): Councillor Liz Plant, Councillor Steve Calvert, Councillor Reg Adair

File ref.: /OD/SB/50025 20026

SP: 2856

Properties affected: 50025 - Tollerton Airport, 50026 - Vacant Field off Bassingfield Lane