

TITLE OF REPORT: ITEM REFERRED FROM LETCHWORTH COMMITTEE: 23 JULY 2014 – 0.6 ACRE SITE ADJACENT TO IVEL COURT, RADBURN WAY, LETCHWORTH GARDEN CITY

The following is an extract from the Draft Minutes of the Letchworth Committee meeting held on 23 July 2014.

31. 0.6 ACRE SITE ADJACENT TO IVEL COURT, RADBURN WAY, LETCHWORTH GARDEN CITY

Prior to the item being discussed Councillor Lorna Kercher declared a declarable interest in that she lived opposite the plot of land being discussed. She stated that she would remain in the room and vote.

The Senior Estates Surveyor presented the report of the Head of Finance, Performance and Asset Management regarding the 0.6 acre site adjacent to Ivel Court, Radburn Way, Letchworth Garden City.

He informed Members that Cabinet, at its meeting of 24 June 2014 resolved:

- 1) That, subject to Letchworth Committee raising no substantive objections to the proposal, the freehold land of approximately 0.6 acres coloured green on the plan attached as Appendix A to the report, located near Ivel Court, Radburn Way, Letchworth Garden City, be offered for sale on the open market; and
- 2) That, after receipt of the offers and on noting the advice of externally appointed property agents, authority be delegated to the Strategic Director of Finance, Policy and Governance, in consultation with the Portfolio Holder for Finance and IT, to agree the terms of the sale contract, including the net sale price, subject to the net offer being the best consideration.

North Hertfordshire Homes had commented that, in their view the Council's site occupied a strategic position in relation to the rest of Ivel Court and that the land would be useful in facilitating a future regeneration scheme. They suggested that the sale of the Council's land could prevent any future regeneration scheme. North Hertfordshire Homes would prefer the Council site to remain in the ownership of the Council or North Hertfordshire Homes until such time as Ivel Court Was regenerated.

The Senior Estates Surveyor confirmed that he had consulted with North Hertfordshire Homes prior to the Cabinet meeting which was held on 24 June and that North Hertfordshire Homes had acknowledged that they had no current scheme planned for the foreseeable future and had not yet allocated any funding or given details on how a future scheme would be funded. He stated that, if the land were offered for sale on the open market North Hertfordshire Homes were at liberty to place an offer.

Members debated the report and noted that North Hertfordshire Homes had not allocated funding towards Ivel Court, yet had expressed a wish to purchase the land. They acknowledged that redevelopment of Ivel Court was a long term aim and discussed whether or not this area of land could prevent any future regeneration. They noted that the Council owned another piece of land in the area which could be used to facilitate any future regeneration. They discussed that Car Parking in the area was essential to ensure the viability of the local shops.

Some Members felt that a face to face meeting between senior members of this Council and senior officers of North Hertfordshire Homes in order clarify the position of North Hertfordshire Homes regarding the sale of this plot of land and whether the sale of this plot of land would prevent future redevelopment of the rest of the area.

It was proposed and seconded that, as a matter of urgency, Cabinet request the Leader of the Council and the Portfolio Holder for Finance and IT, together with appropriate Officers, arrange a face to face meeting with senior officers of North Hertfordshire Homes in order clarify the position of North Hertfordshire Homes regarding the sale of this plot of land and whether the sale of this plot of land would prevent future redevelopment of the rest of the area.

Upon the vote the proposal was agreed and it was:

RECOMMENDED TO CABINET: That, as a matter of urgency, Cabinet request the Leader of the Council and the Portfolio Holder for Finance and IT, together with appropriate Officers, arrange a face to face meeting with senior officers of North Hertfordshire Homes in order clarify the position of North Hertfordshire Homes regarding:

- (1) The sale of this plot of land; and
- (2) Whether the sale of this plot of land would prevent future redevelopment of the rest of the area.

REASON FOR DECISION: To confirm that the sale of this plot of land would not prevent future redevelopment of the rest of the area.

The following is the report considered by the Letchworth Committee at its meeting held on 23 July 2014.

TITLE OF REPORT: 0.6 ACRE SITE ADJACENT TO IVEL COURT, RADBURN WAY, LETCHWORTH

REPORT OF THE HEAD OF FINANCE, PERFORMANCE & ASSET MANAGEMENT

1. SUMMARY

- 1.1 To seek Letchworth Committee's views on proposals to sell approximately 0.6 acres of land at Radburn Way, Letchworth following its consideration by Cabinet at its meeting of 24 June 2014.

2. RECOMMENDATIONS

- 2.1 That, as part of the consultation process, Letchworth Committee gives its views on the proposal to sell the 0.6 acre site adjacent to Ivel Court, Radburn Way, Letchworth as identified on the plan attached to the report.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To provide a financial receipt to help fund the 2014 to 2018 capital programme.
- 3.2 To enable the development of new housing in North Hertfordshire.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Retaining the land as informal open space and parking.

5. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS

- 5.1 Cabinet was consulted about the principle of disposal on 22 March 2011 (Minute 124). A more detailed report was considered by Cabinet at its meeting of 24 June 2014 (Minute 21). Cabinet resolved:

- (1) That, subject to Letchworth Committee raising no substantive objections to the proposal, the freehold land of approximately 0.6 acres coloured green on the plan attached as Appendix A to the report, located near Ivel Court Radburn Way, Letchworth Garden City, be offered for sale on the open market; and
- (2) That, after receipt of the offers and on noting the advice of externally appointed property agents, authority be delegated to the Strategic Director of Finance, Policy and Governance, in consultation with the Portfolio Holder for Finance and IT, to agree the terms of the sale contract, including the net sale price, subject to the net offer being the best consideration.

REASON FOR DECISION: To provide a financial receipt to help fund the 2014 to 2018 Capital Programme and to enable the development of new housing in North Hertfordshire.

- 5.2 The local Ward Members Councillors Booth, Cunningham and Levett have been consulted about the proposed sale.

- 5.3 North Hertfordshire Homes own adjoining land. They have been consulted about the proposed disposal of land.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key decision that was first notified to the public on the forward plan on 19 December 2013.

7. BACKGROUND

- 7.1 The District Council owns land and buildings next to Ivel Court, Radburn. This comprises the site and buildings of Jackmans Community Centre shown coloured pink on the plan attached, a car park to the north of the Community Centre, not coloured on the plan, and approximately 0.6 acres of land shown coloured green on the plan that is laid out as an informal grassed area and car parking. Jackmans Community Centre is currently let to the Community Association. It is planned to continue with this arrangement by renewing the lease. There are no proposals to sell the community centre.

- 7.2 Previously there was a partnership between the Council, McCann Homes and North Hertfordshire Homes to include all of the Council's land and buildings within a much larger redevelopment that also included Ivel Court and other property belonging to North Hertfordshire Homes. This larger and more complicated scheme failed.

- 7.3 The property market has improved in the last year and there is now the opportunity to remarket the Council's site on its own.

- 7.4 Subject to planning the site could be developed with say around 8 to 12 dwellings.

8. ISSUES

- 8.1 North Hertfordshire Homes have commented that in their view the Council's site occupies a strategic position in relation to the rest of Ivel Court and that the Council's land would be useful in facilitating a future regeneration scheme. They suggest the sale of the Council's land now could prevent any future regeneration project. North Hertfordshire Homes would prefer the Council site remains in the ownership of either the Council or North Hertfordshire Homes until such time as Ivel Court is regenerated. However, North Hertfordshire Homes acknowledge they have no scheme planned for the foreseeable future. They have indicated that they could not start considering this until the redevelopment of John Barker Place has completed. They have not provided any details on how a future scheme would be funded.

- 8.2. North Hertfordshire Homes go on to say that if the Council wishes to sell its land now, they would like to bid for it either by open tender or by private treaty negotiation.

- 8.3. If the site is to be sold by open tender, North Hertfordshire Homes have asked that preference be given to proposals that do not prevent or jeopardise the future regeneration of Ivel Court.

- 8.4 It is not clear when or indeed if North Hertfordshire Homes will have a viable funded plan to regenerate Ivel Court.

- 8.5 Should Ivel Court be regenerated in the future then subject to planning there is other Council owned land east of Ivel Court that perhaps could be made available.

9. LEGAL IMPLICATIONS

- 9.1 Area committee has within its terms of reference to consider the policies and actions of Cabinet as to their appropriateness to the needs and aspirations of the local community.
- 9.2 The Contract Procurement Rules, Part 1 Land Transactions apply and any marketing would be carried out within the remit of Contract Procurement Rules.
- 9.3 Section 123(1) of the Local Government Act 1972 gives a Local Authority the power to dispose of land provided that it does so for the best price reasonably obtainable. The process of advertising the land on the open market and inviting bids provides an assurance that the bids received are the best reasonable obtainable.
- 9.4 There may be specific legal implications relevant to the sale of the property e.g. covenants on title, easements, third party rights. Preliminary title investigations do not reveal any issues that would frustrate the proposed development.

10. FINANCIAL IMPLICATIONS

- 10.1 The Local Government and Housing Act 1989 stipulates that receipts from the disposal of an asset can only be used to meet expenditure incurred for capital purposes or as provision to meet credit liabilities. The receipt from the sale of land adjacent to Ivel Court will be placed in the Useable Capital Receipts Reserve and will be used as funding for the future capital programme.
- 10.2 As at the 1 April 2013 the Council had a total of £1.2million available in the useable capital receipts reserve. The 2014/15 capital programme alone requires funding from the Council's useable and set aside capital receipts of £6.7million.
- 10.3 New Homes Bonus is paid through S.31 of the Local Government Act 2003 as non-ringfenced grant. This is a grant from Central Government to provide support to Local Authorities in England towards expenditure incurred or to be incurred by them. Assuming 10 homes were to be built this development would represent a New Homes Bonus sum in the region of £11,650 per year for six years. This is for illustration only as the exact number of dwellings will be subject to planning.

11. RISK IMPLICATIONS

- 11.1 There is a risk that the sale of the land does not achieve "best value" for the Council. This risk will have been mitigated by the employment of an external property agent to market the site, and obtaining the professional recommendations of the external agent.
- 11.2 There is a risk that planning will be refused or that it will be granted subject to conditions that the purchaser deems unacceptable. In this situation the contract would come to an end and the District Council would not receive any payment or deposit but would be free to remarket the land. Ordinarily where a landowner is selling subject to planning, the contract would contain provisions allowing the landowner to force the buyer to appeal a refusal of planning or an unacceptable condition. The purpose of such a clause is to maximise the possibility of planning being granted and therefore the land sale being completed. However NHDC is in the unique situation of being both landowner

and planning authority and so it would be perverse to include such clauses in the draft contract. Therefore if planning is refused or granted subject to conditions that the contract deems unreasonable, then it will be within the discretion of the developer to decide whether or not to appeal.

12. EQUALITIES IMPLICATIONS

- 12.1 The Equality Act 2010 came into force on the 1st October 2010, a major piece of legislation. The Act also created a new Public Sector Equality Duty, which came into force on the 5th April 2011. There is a General duty, described in 12.2, that public bodies must meet, underpinned by more specific duties which are designed to help meet them.
- 12.2 In line with the Public Sector Equality Duty, public bodies must, in the exercise of its functions, give **due regard** to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.3 This land is offering potential for new housing that will benefit the wider community. Amongst the community there may be those who exhibit a protected characteristic. The proposed sale of this land has potential positive equality implications for the community. If Section 106 criteria is applied to the sale, then this could further provide benefits to the wider Letchworth community.

13. SOCIAL VALUE IMPLICATIONS

- 13.1 As the recommendations made in this report do not constitute a public sector contract, the measurement of "social value" as required by the Public Services (Social Value) Act 2012 need not be applied, although equalities implications and opportunities are identified in the relevant section at Paragraph 12.

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 There are no Human Resource implications from this report.

15. APPENDICES

- 15.1 Appendix 1 - Location Plan for identification purposes only.

16. CONTACT OFFICERS

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17. BACKGROUND PAPERS

17.1 Freehold registered titles No. HD484992 & HD499398.