



WYCOMBE
DISTRICT COUNCIL

Report For:	Cabinet
Date of Meeting:	Cabinet 4 February 2019
Part:	Part 1 - Open Report with Part 2 Appendices
If Part 2, reason:	Para 3 - Information about the financial or business affairs of any particular person (including the authority holding that information).

SUMMARY

Title of Report:	DISPOSAL OF 'BASSETSBURY TRIANGLE'
Cabinet Member: Officer Contact: Direct Dial: Email:	Councillor Steve Broadbent Charles Brocklehurst 01494 421280 charles.brocklehurst@wycombe.gov.uk
Ward affected:	Ryemead
Reason for the Decision:	<p>The former allotments were closed due to contamination. Secretary of State approval was obtained to release them for development. Underlying ground conditions prevent conventional housing so lightweight park homes are planned. The estimated disposal value of the site exceeds delegation. Freehold disposal may prove to be unfundable by the market because of latent contamination risk. In which case, disposal will be by way of leasehold joint venture.</p> <p>Site remediation works are to be funded by a Land Release Fund grant obtained by the Council. Off-site improvements to the adjoining railway embankment footpath and to footways on Bassetsbury will be a Sn. 106 requirement, funded by an existing budget allocation in the Capital Programme, along with a substantial commuted sum towards affordable housing.</p> <p>Approval is required to delegate authority to officers to conclude a disposal and to enter into 'enabling works' contracts.</p>

<p>Proposed Decision:</p>	<p>To approve:</p> <ul style="list-style-type: none"> (i) the disposal of 'Bassetsbury Triangle' (former allotments) with the benefit of planning permission for 40 park homes; (ii) either a freehold disposal or a leasehold joint venture delegating the decision on sale price or detailed financial terms to the Corporate Director, in consultation with the Major Projects and Estates Executive, Head of Finance & Commercial, and their respective Cabinet Members; and (iii) delegation to the Corporate Director, in consultation with the Major Projects and Estates Executive, Head of Finance & Commercial, and their respective Cabinet Members, to enter into construction contracts for on-site enabling works and off-site infrastructure works.
<p>Sustainable Community Strategy/Council Priorities - Implications</p>	<p>Meets Place objectives</p> <p>Risk: Planning risk has been mitigated by obtaining a minded to grant decision (subject to completion of a Sn. 106 agreement). There is a risk that a freehold disposal will prove unworkable because of 'latent' contamination (the underlying site was a former landfill). This is being mitigated by remediation works (capping). If, following open marketing, lenders still reject the site, as collateral, then the disposal will have to be by way of a leasehold joint venture, producing revenue / profit share rather than a capital receipt.</p> <p>The enabling works and off-site infrastructure works carry construction risk. This will be mitigated by competent project management.</p> <p>Health & Safety: Principal Designer to be appointed for the enabling / infrastructure works.</p>
<p>Monitoring Officer/ S.151 Officer Comments</p>	<p>Monitoring Officer: Legal comments have been set out within the report.</p> <p>S.151 Officer:The proposed costs of the off-site infrastructure works can be met from the proposed budget allocation in the 2019/20 budget proposals.</p> <p>The anticipated receipt subject to the due diligence on potential sale price or detailed financial terms is consistent with the anticipated capital receipt in the proposed 2019/20 budget.</p>

Consultees:	Pre-planning application public consultation was undertaken as was consultation with statutory consultees during the planning application process
Next Steps:	The opportunity will be openly marketed on an 'either / or' basis with bids evaluated according to delivery track record and financial outturn.
Background Papers:	Held by MP&E Single Member Cabinet decision (Appendix A)
Abbreviations:	MP&E - Major Projects and Estates

Appendices to this report are as follows:

Exempt Appendix A - Single Member Cabinet decision

Exempt Appendix B – Bassetsbury Costs

Exempt Appendix C - Bassetsbury GVA Figures

Detailed Report

1. Working with GVA Grimley's planning and specialist park homes agency teams, Major Projects & Estates has now secured a 'minded to grant' decision on its planning application for 40 park homes, enabling the property to be marketed for disposal. It remains to be seen as to whether the preferred method of disposal – a freehold sale for a capital receipt – will be achievable. This is because prospective park home developers' lenders may not be willing to lend against the site, because of its underlying landfill (with undeterminable risks arising from its contaminated content). In which case, the Council will have to retain the freehold and grant a long lease, based on receipt revenue, in the form of 'pitch fees' (rent per plot) and a series of capital receipts from a profit share mechanism (as units are installed and sold by the development partner).
2. The latter would require further negotiation on the Sn. 106 Agreement's commuted sum in lieu of on-site affordable housing provision (not possible because housing associations do invest in park homes), so that it can be made in staged payments.
3. The on-site enabling works are to be funded from the £0.5m Land Release Fund grant. Off-site infrastructure works are to be funded by a £1m capital allocation in the Capital Programme.