

Agenda Item No: 9.8 **Report No:** 28/17
Report Title: Anchor Field Ringmer and Old Malling Farm
Report To: Cabinet **Date:** 8 February 2017
Cabinet Member: Cllr Bill Giles
Cllr Ron Maskell
Ward(s) Affected: Ouse Valley and Ringmer
Lewes Bridge
Report By: Nazeya Hussain, Director of Regeneration and Planning
Ian Fitzpatrick, Director of Service Delivery

Contact Officer(s)-

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Purpose of Report:

This report seeks consent to conclude negotiations on land for development at Anchor Field, Ringmer; and commercial negotiations to enable a development at Old Malling Farm, Lewes.

Officers Recommendation(s):

- 1 To delegate authority to the Director of Regeneration and Planning, the Director of Service Delivery, and the Deputy Chief Executive in conjunction with the Lead Member for Finance and the Lead Member for Housing to enter into a Development Agreement with Anchor Field Ltd to deliver a housing scheme at Anchor Field, Ringmer, subject to appropriate due diligence being completed.
- 2 To delegate authority to the Director of Regeneration and Planning, the Director of Service Delivery, and the Deputy Chief Executive, in conjunction with the Lead Member for Finance and the Lead Member for Housing to enter into a Conditional Option Agreement in respect of access rights to a potential development at Old Malling Farm, Lewes subject to appropriate due diligence being completed.

- 3 To appropriate the land at Anchor Field, Ringmer from the Housing Revenue Account to the General Fund.
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Reasons for Recommendations

- 1 To partner with Anchor Field Ltd who will develop land at Caburn Field, Ringmer and land owned by Lewes District Council to deliver new housing.
- 2 To enter into an agreement to grant rights of access across land owned by Lewes District Council in the event that planning permission is granted for a new housing scheme at Old Malling Farm.

3 Information

Anchor Field, Ringmer

- 3.1 In September 2015, Cabinet approved a recommendation that officers be authorised to negotiate a Development Agreement for the disposal of land for development for housing at Anchor Field in Ringmer, based on draft Heads of Terms. However, since that time, the negotiations have continued and the proposed commercial deal has been simplified.
- 3.2 The Council owns three parcels of land that border the football club and one area leased to the Club (see Appendix B). The land is held within the Housing Revenue Account.
- 3.3 The football ground (Caburn Field – edged in blue on the attached plan) is owned by Ringmer Football Club.
- 3.4 The proposal involves developing the existing football ground for a mixed residential scheme. Such a proposal is supported in principle, with ‘saved’ Policy RG1 from the Local Plan 2003 allocating the existing ground for a residential development provided a suitable replacement facility is identified and established. The developer has entered into an agreement with Ringmer College to re-provide facilities on their site. The site is noted in the Ringmer Neighbourhood Plan but not allocated as it is already allocated within the Joint Core Strategy.
- 3.5 It will be a condition of contract with Anchor Field Ltd that they will produce their agreements with Ringmer Football Club and Ringmer College relating to the re-provision of the football ground and Gun Club.
- 3.6 Initial appraisals of the proposed scheme at Ringmer value the whole of the land (both LDC and privately owned) demonstrate the viability of the scheme. The Council’s land taken alone would be difficult to develop, but there is marriage value with the land owned by Ringmer Football Club. Accordingly, the Council would expect to receive a proportion of the uplift in land value as a capital receipt net of professional fees and costs, as a percentage of the land

included within the agreement, and in recognition that the developer has no access to Caburn Field.

- 3.7** Negotiations have continued and there is now a new proposal whereby the Council sells part of its landholdings (identified as areas 1 and 2 at Appendix B) to Anchor Field Ltd for a nominal sum. The developer will build out the affordable units as per planning requirements (40% of the total scheme) subject to planning on the land hatched in red. The affordable units will then be transferred to the Council at nil cost. The Council will be able to decide on tenure and whether to retain the affordable housing, or to dispose of some or all of it on the open market. The Council will retain the revenue or capital receipt from the affordable housing that is transferred.
- 3.8** A further condition of contract will be that if the LDC flats construction is not commenced by the time that 25 houses are built, the contract will be voided. Completion of the sale of the two areas of land will not take place until the LDC flats are built to the Council's reasonable satisfaction.
- 3.9** The road easement will be completed when work starts on the football ground. However there will be a condition paramount that if the construction of the LDC Flats is not started as stated above it will be voided.
- 3.10** The scheme has been promoted widely in Ringmer and the Town Council is broadly supportive and further consultations will take place as part of the planning process. The developer will be responsible for re-providing or relocating the skate park should the need arise.

Old Mallings Farm

- 3.11** The Council has been approached by agents acting for the landowner at Old Mallings Farm. The site has been allocated within the Joint Core Strategy for housing and the landowner wishes to proceed with a development there.
- 3.12** Appendix A details the Heads of Terms (HOTs) which have been agreed between the landowner and the Council. It also contains a plan which shows the access required onto the land for development. The second plan in Appendix A shows the extent of the Council's landownership (shaded in green).
- 3.13** The Vendor referred to in the HOTs is the Council and the Purchaser is the landowner at Old Mallings Farm. It is intended that the Council's future interests will be protected. Any further sites which may come forward as a result of the Council reaching agreement on access to the Old Mallings Farm site will be excluded from the agreement and would require a new and separate negotiation and agreement.
- 3.14** The HOTs are subject to contract and the scheme is subject to planning. Agreeing to the HOTs does not prejudice the Council's position in any way with regard to any future planning application and does not imply that the Council would either support or object to the planning application. South Downs National Park will be the Planning Authority when the application is submitted.
- 3.15** The proposed development at Old Mallings Farm is a high-value scheme which will deliver in excess of 200 houses within the National Park boundary, 40% of

which will be affordable. The Council will benefit from a capital receipt should the scheme proceed as a consideration for access rights across Council land.

4 Financial Appraisal

- 4.1** The new proposal for Anchor Field means that instead of a capital receipt as envisaged when Cabinet agreed draft Heads of Terms in September 2015, the Council will receive property worth several million pounds. The newly constructed affordable housing units would generate an ongoing income stream, a future capital receipt (if sold) or a combination of the two.
- 4.2** The Council will seek advice on the Stamp Duty Land Tax implications of the proposal at Ringmer to ensure that the transaction is carried out in the most tax-efficient manner.
- 4.3** The proposed development at Old Malling Farm, should it proceed, will produce a capital receipt worth several million pounds, which can be used as financing for future the capital programme.
- 4.4** Section 123 of the Local Government Act 1972 requires that a local authority achieve best consideration for any freehold or disposal or a leasehold disposal in excess of seven years. The negotiations for both proposals have been conducted in light of this statutory requirement and each scheme will be appraised by the District Valuer to ensure that it is both viable for the developer and represents best value for the Council.

5 Legal Implications

- 5.1** Part of the land at Ringmer is currently used as public open space and is leased to the Parish Council. There are procedural requirements to be complied with on a disposal of open space land. A local authority is required to advertise its intention to sell in a local newspaper for two consecutive weeks and to consider objections. This should be done before any final decision is taken on the disposal, so that proper consideration is given to the responses that are received. Therefore, the delegation to officers will be subject to the officers undertaking a process that is compliant with the Council's legal obligations relating to disposal of open space land.
- 5.2** The Council's land at Anchor Field is currently held in the Housing Revenue Account (HRA). The land is not being used for the purposes of meeting social housing needs under Part II of the Housing Act 1985. A local authority may appropriate for an alternative purpose any land which is no longer required for the purpose for which it is held immediately before the appropriation. The Secretary of State's consent is required for the appropriation of any part of HRA land consisting of a house or part of a house for any other purpose. There are no houses on the HRA land referred to in this report, so the Secretary of State's consent is not required.

- 5.3** There are controls relating to the disposal of land held in the HRA. The land is not being used for the purposes of meeting housing needs. It is therefore recommended that the land be appropriated from the HRA to the General Fund to facilitate the proposed disposal.
- 5.4** Appropriate due diligence will have to be completed in respect of both proposed transactions.

Risk Management Implications

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- 6.1** The key risks have been identified within the body of the report. See Legal and Finance sections for specific comments.

Equality Screening

- 7** There are no equality impacts as a result of the recommendations in this report.

Background Papers

- 8** None

Appendices

Appendix A Commercial terms for Old Mallin Farm (exempt)

Appendix B Development Plan at Anchor Field, Ringmer