

**Report of Head of Resources**

**NORTH WELLINGBOROUGH – COUNCIL-OWNED LAND**

**1 Purpose of report**

This report was requested by the committee at its meeting in February 2013, and presents additional information about the council's land interests associated with the North Wellingborough sustainable urban extension. .

**2 Executive summary**

- 2.1 On 6 February 2013 the Resources Committee considered a report by the Head of Resources providing details of a request by Northants LLP to enter into negotiations to acquire land owned by the council to allow the delivery of the first two phases of North Wellingborough sustainable urban extension.
- 2.2 The committee felt that the matter needed further consideration, so asked officers to obtain further information and bring back a report to the September meeting of the committee for further consideration.
- 2.3 This report focuses on the council's land (approximately 66 acres) and seeks approval to enter into negotiations with the developer in relation to some of the land interests associated with this development. The council has interests in land in all three phases of this development but the developer is primarily interested in the council's land that impacts on phases 1 and 2.

**3 Appendices**

A site plan of the land proposed for sale, indicating areas owned by the council in red, is attached as an appendix. Other small areas adjacent to existing roads will be required for phases one and two; some of these will be in council ownership, but this is currently being established with the Land Registry.

**4 Proposed action:**

**The committee is invited to RESOLVE to:**

- 4.1 authorise officers to enter negotiations with Northants LLP as a special purchaser for best consideration for the council's land needed for phases 1 and 2 of the Wellingborough North development;**
- 4.2 report back to the Committee with recommended terms of sale;**
- 4.3 attach conditions to the sale of the land to ensure that specific interests are protected.**

## **5 Background**

- 5.1 The development proposed by Northants LLP to the north of Wellingborough is a sustainable urban extension with planning permission for up to 3,000 dwellings and associated facilities and infrastructure, together with a reserve corridor for the Isham-Wellingborough road improvement (IWIMP). The permission envisages that the site is to be developed in three phases.
- 5.2 Part of the land required for this development to proceed is owned by the council, as outlined on the attached plan. Although the land ownership of the council encompasses phases 1, 2 and 3, this report focuses only on phases 1 and 2.
- 5.3 This development has planning consent and, if seen as being deliverable, will help the council as planning authority demonstrate that it has a 5 year supply of developable land. If these proposals were progressed the decision would have an immediate impact and help the council's defence against unwanted developments in other areas of the borough, particularly the villages.
- 5.4 At the meeting in February 2013 the committee requested further advice about whether the timing of the sale was appropriate. Since that meeting discussions have been ongoing with Northants LLP and advice has been sought from a qualified valuer.

## **6 Discussion**

- 6.1 If the council is minded to dispose of the land in question at this stage, some thought must be given by members as to the most appropriate way to effect the sale.
- 6.2 The council may dispose of its land without government consent as it wishes, so long as it obtains best consideration, in accordance with Financial Procedure Rules on Asset Disposals (as set out in the council's Constitution).
- 6.3 In most instances this will result in land being sold on the open market, but in some cases there may be an argument for selling to a special purchaser where the disposal is in excess of £2m.
- 6.4 The council's Constitution (paragraph F14) provides details of methods of land disposal, including special purchaser arrangements which define a special purchaser as a purchaser with an interest in an adjoining property or with an inferior or superior interest in the property). The acquisition by the special purchaser of the land by or property in question will command an extraordinary element of value over and above market value (known as Special Value).
- 6.5 Having sought advice from a qualified valuer, the council is advised that Northants LLP should be regarded as a special purchaser in relation to their proposed acquisition of the two parcels of land fronting Niort Way (40.08 acres and 26.08 acres). Northants LLP would be a special purchaser for the purpose of

their acquisition of these parcels of land, the values of which to them will include an element of special value over and above market value.

- 6.6 This special value arises from the fact that Northants LLP has an interest in adjacent land, the value of which will be enhanced by a merger with the subject parcels of land. This enhancement arises from the fact that the subject land has road frontage required in connection with the provision of service roads to enhance access to the adjacent land
- 6.7 There is the potential to sell all the land immediately, or to phase it, with the developer having options to purchase over an agreed number of years. This aspect will be dealt with during negotiations for sale, in order to ensure that the council's interests are best protected.
- 6.8 The sale of any land would need to be conditioned to protect specific interests, such as the IWIMP. The land for IWIMP is included in phase 2, so it may be best for phases 1 and 2 to be disposed of at the outset.

## 7 Legal powers

The Local Government Act 1972, S123 permits the council to dispose of its land provided the best consideration is obtained. It may also dispose of it for less consideration if Secretary of State consent is obtained. That is commonly done to assist social housing development and would be a possibility in this instance if justification could be provided.

The council must also comply with its financial procedure rules on pages 186 to 190 of the constitution in making land disposals. Broadly speaking those are designed to ensure section 123 is complied with. This report has been prepared in accordance with those rules.

## 8 Financial and value for money implications

The purchaser will be asked to bear all reasonable costs associated with the purchase. The development could provide a significant capital receipt which could assist the council in addressing its wider financial challenges.

In addition, there would be income for the borough as a whole in terms of construction contracts (jobs and materials) as well as additional employment, education, welfare, and leisure resources.

## 9 Risk analysis

Nature of risk	Consequences if realised	Likelihood of occurrence	Control measures
No capital receipt, and no revenue income from development of	Capital receipt and revenue income unable to support the council's budget	Likely	Timely decision in respect of the sale of the land

housing land			
Unable to meet housing targets	Development in other areas eg. villages	Likely	Use of identified land for housing development

**10 Implications for resources**

Considerable senior officer time has been dedicated to this issue, and will continue to be required until the matter is dealt with.

**11 Implications for stronger and safer communities**

The proper consideration and implementation of the Council’s planning function for this development is relevant in creating and maintaining sustainable and cohesive communities. Disposal would support that function, even if at less than best consideration following Secretary of State consent.

**12 Implications for equalities**

There are no direct implications for equalities arising from this report

**13 Author and contact officer**

Bridget Lawrence, Head of Resources

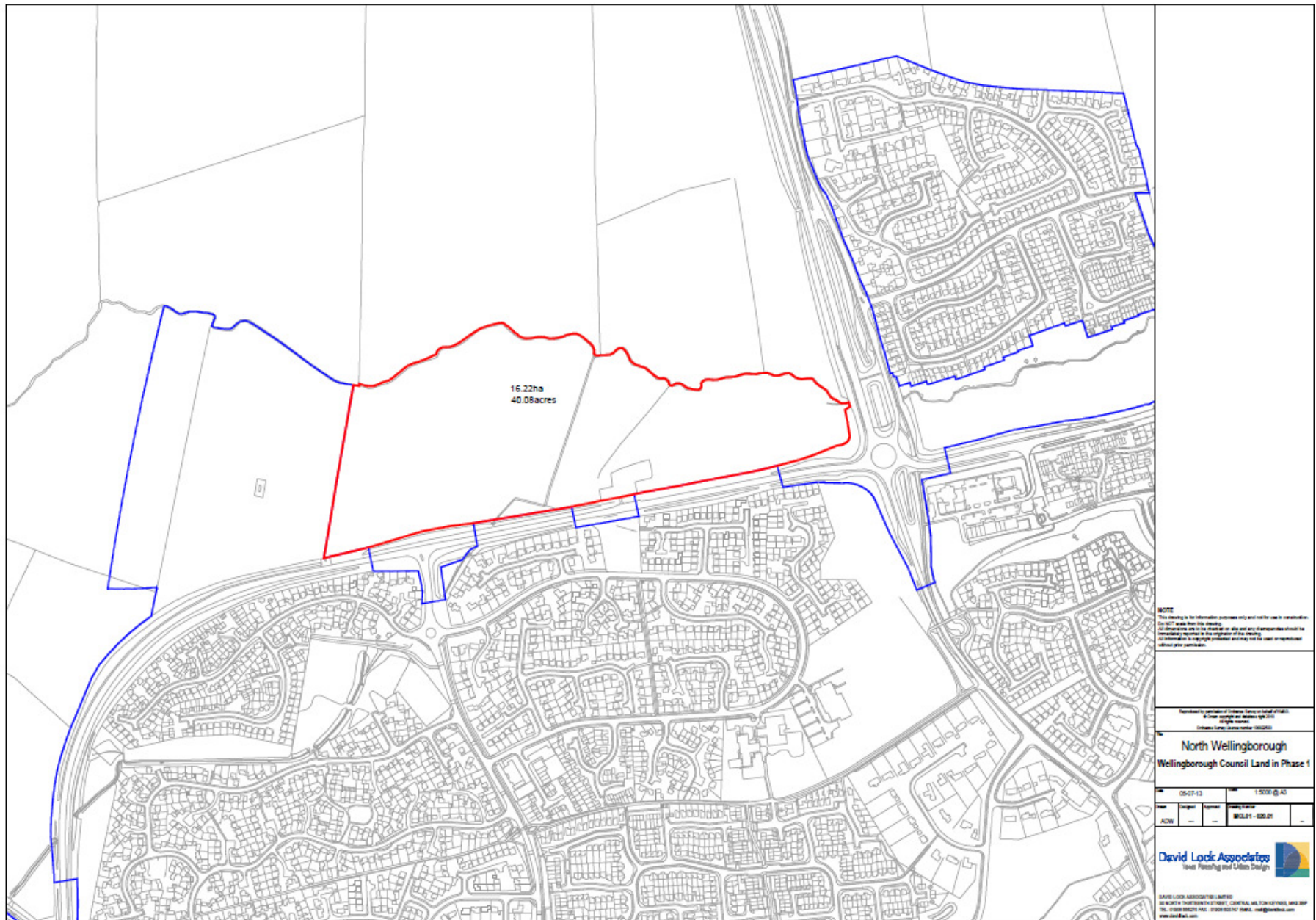
**14 Consultees**

Chief Executive  
S151 Officer  
Monitoring Officer  
District Law  
Underwoods

**15 Background papers**

Correspondence relating to the development of Wellingborough North, and to the potential sale of the land. Some of the correspondence is exempt from publication for commercial reasons.

# Appendix



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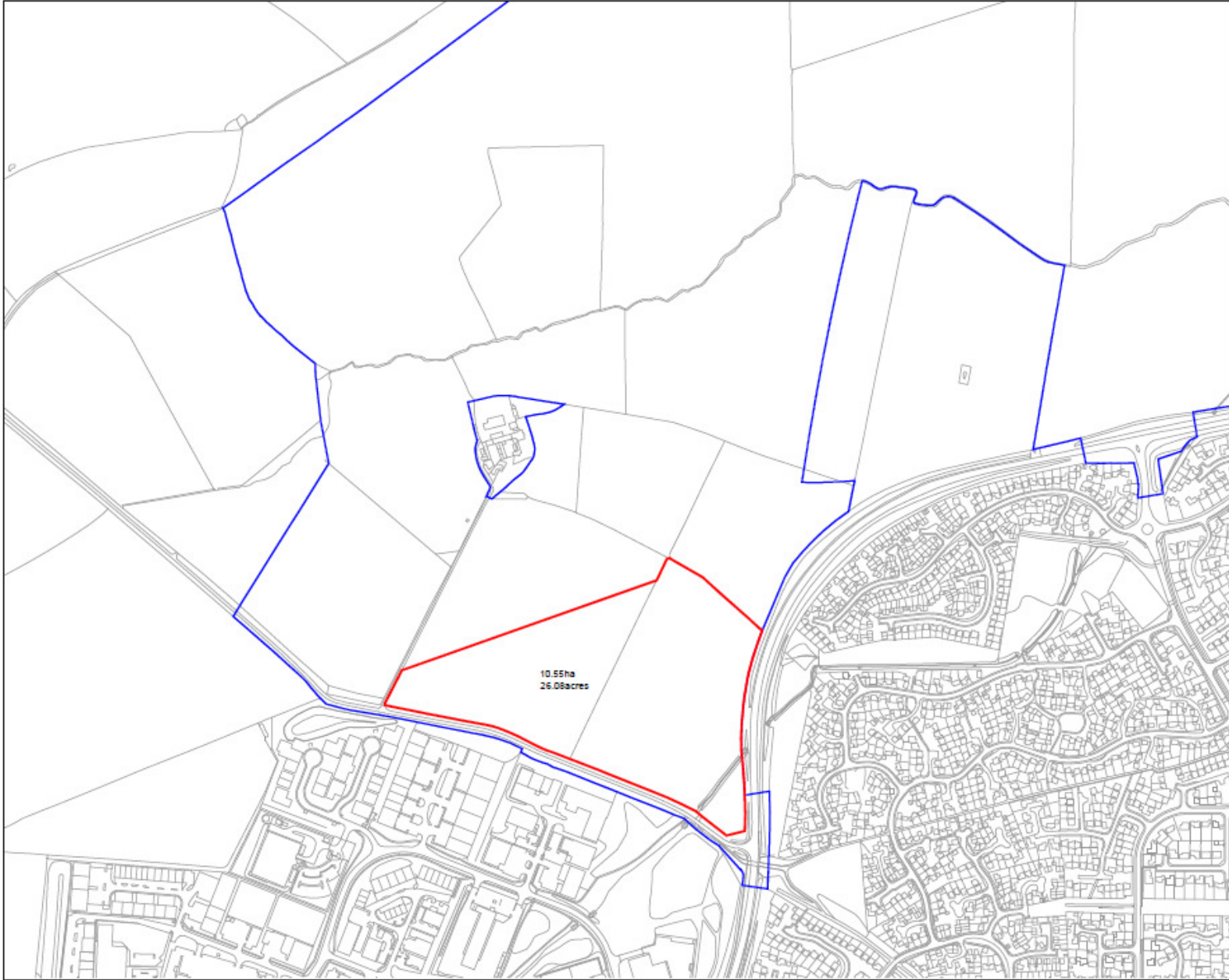
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 01832 352222  
 Graham Jones, 01832 352222

**North Wellingborough**  
**Wellingborough Council Land in Phase 1**

DATE	04/11/13	SCALE	1:500 @ A3
PROJECT	WOL01 - E01.01	CLIENT	WOL01 - E01.01
DESIGNER	ADW		

**David Lock Associates**  
 Town Planning and Urban Design

DAVID LOCK ASSOCIATES LIMITED  
 20 NORTH THORNTON STREET, CENTRAL, WELLS, SOMERSET, BA5 2EP  
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10.55ha  
26.08acres

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Approved for submission to Council for consideration of a  
4 Year Strategic Plan 2017-2021  
Wellingborough Council, 2017/18

**Project Title**  
Wellingborough Council Land in Phase 2

Date	Scale
1.10.2017 @ A2	

Author	Checked	Drawn/Checked	Quantity/Checked
ACW	-	WCL/RYJ	- 120.02



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