

RECORD OF EXECUTIVE DECISION TAKEN BY AN EXECUTIVE MEMBER

This form **MUST** be used to record any decision taken by the Elected Mayor or an individual Executive Member (Portfolio Holder).

The form must be completed and passed to the Chief Officer Democratic and Registration Services no later than NOON on the second working day after the day on which the decision is taken. No action may be taken to implement the decision(s) recorded on this form until 7 days have passed and the Chief Officer Democratic and Registration Services has confirmed the decision has not been called in.

1. Description of decision

- (i) Agree in principle to the sale of the freehold interest or the grant of a long term leasehold interest in approximately 6.47ha (16 acres) of the Council's land at Fairhill, Bedford as shown in Appendix A;
- (ii) Delegate authority to the Chief Officer for Economic Growth and Property, in consultation with the Portfolio Holder, to negotiate terms which achieve best consideration for the sale of the freehold interest or the grant of a long term leasehold interest in approximately 0.81ha (2 acres) of land at Fairhill Bedford, allocated for hotel use and as shown at Appendix A;
- (iii) Delegate authority to the Chief Officer for Economic Growth and Property, in consultation with the Portfolio Holder, to negotiate terms which achieve best consideration for the sale of the freehold interest or the grant of a long term leasehold interest in approximately 5.67ha (14 acres) of land at Fairhill Bedford, allocated for employment use and as shown at Appendix A;
- (iv) Note that the land allocated for employment use may be divided into parcels to ensure the best use of the site and the optimum capital receipt;
- (v) Note that the Park and Ride facility included in the current Local Plan for this site (Policy AD37) will not be included in the main planning application submitted in respect of the allocated employment land shown at Appendix A although space is still available for such a site should it be required;
- (vi) Delegate authority to the Chief Officer for Economic Growth and Property in consultation with the Portfolio Holder to vary the boundaries of the land shown at Appendix A if necessary to satisfy planning requirements.

2. Date of decision

8th March 2018

3. Reasons for decision

Land at Fairhill has been allocated in the Local Plan for development as employment land and a hotel site subject to Policy AD18. However it was necessary for the northern section of the Bedford Western Bypass to be constructed to provide adequate access to the sites. The employment land at 5.67ha (14 acres) is too small for most major developers and too large for most end users. It was therefore decided to enhance both the capital receipt and the appeal of the land to the market by providing the infrastructure and services so that the site could be marketed as individual serviced plots. This work is expected to improve the net capital receipt and the proposal is supported by a report provided by external consultants. The hotel site would prove disproportionately expensive to provide with services in isolation and it is therefore proposed to install services in such a way that the developers can gain access at a reasonable cost. It may be necessary to vary the boundaries of the hotel site as the originally allocated site has been partly compromised by work on the bypass and so the site boundary of the land to be marketed has been adjusted to retain an appropriate development area. The revised boundary will be considered as part of the planning process when a planning application is submitted by the developer and any alteration to the site boundaries as marketed

will have to be reflected in the sale agreement.

4. Alternatives considered and rejected

- Not to dispose of the land at Fairhill – This would mean that capital receipt assumptions included within the Capital Programme would not be achieved and Economic Growth opportunities would be lost.
- To sell the site as one lot without planning permission or investment in infrastructure – This would reduce the value of the land and the level of influence the Council has on the eventual development achieved on the site.

5. How decision is to be funded

The decision will result in a net capital receipt for the Council. Provision in the Capital Programme has been made for investment in the infrastructure and the cost of disposal will be met from existing revenue budgets.

6. Conflicts of interest

Name of all Executive members who were consulted AND declared a conflict of interest.	Nature of interest	Did Standards Committee give a dispensation for that conflict of interest? (If yes, give details and date of dispensation)	Did the Chief Executive give a dispensation for that conflict of interest? (If yes, give details and the date of the dispensation).

The Mayor has been consulted on this decision

NA

Signed *D. Hodgson*

Date *8/3/2018*

Name of Decision Taker *MAYOR DAVE HODGSON*

This is a public document. A copy of it must be given to the Chief Officer Democratic and Registration Services as soon as it is completed.

Date decision published: *12th March 2018*

Date decision can be implemented if not called in: *20th March 2018*

(Decision to be made exempt from call in.....~~YES~~ or NO.....)

Bedford Borough Council – Report to the Mayor

Date - February 2018

Report by - the Chief Officer for Economic Growth and Property and the Chief Officer for Planning and Highways

Subject - Land at Fairhill, Bedford – Disposal and Development

1. Executive Summary

This report sets out the details of the proposed provision of infrastructure prior to the disposal of land at Fairhill Bedford. The land adjoins the recently completed northern section of the Bedford Bypass with a site of approximately 0.81ha (2 acres) north of the bypass allocated for hotel use and a site of approximately 5.67ha (14 acres) south of the bypass allocated for employment use. The allocation currently proposes the provision of a park and ride but this facility is not supported by the Council in this location for financial reasons and will not be provided. The provision of the infrastructure has been proposed to enhance the value of the land and create an improved net capital receipt. Funding for the work has been secured as part of the Council's Capital Programme.

2. Recommendations

The Mayor is invited to:

- (i) **Agree in principle to the sale of the freehold interest or the grant of a long term leasehold interest in approximately 6.47ha (16 acres) of the Council's land at Fairhill, Bedford as shown in Appendix A;**
- (ii) **Delegate authority to the Chief Officer for Economic Growth and Property, in consultation with the Portfolio Holder, to negotiate terms which achieve best consideration for the sale of the freehold interest or the grant of a long term leasehold interest in approximately 0.81ha (2 acres) of land at Fairhill Bedford, allocated for hotel use and as shown at Appendix A;**
- (iii) **Delegate authority to the Chief Officer for Economic Growth and Property, in consultation with the Portfolio Holder, to negotiate terms which achieve best consideration for the sale of the freehold interest or the grant of a long term leasehold**

interest in approximately 5.67ha (14 acres) of land at Fairhill Bedford, allocated for employment use and as shown at Appendix A;

- (iv) Note that the land allocated for employment use may be divided into parcels to ensure the best use of the site and the optimum capital receipt;
- (v) Note that the Park and Ride facility included in the current Local Plan for this site (Policy AD37) will not be included in the main planning application submitted in respect of the allocated employment land shown at Appendix A although space is still available for such a site should it be required;
- (vi) Delegate authority to the Chief Officer for Economic Growth and Property in consultation with the Portfolio Holder to vary the boundaries of the land shown at Appendix A if necessary to satisfy planning requirements.

3. Reasons for Recommendations

Land at Fairhill has been allocated in the Local Plan for development as employment land and a hotel site subject to Policy AD18. However it was necessary for the northern section of the Bedford Western Bypass to be constructed to provide adequate access to the sites. The employment land at 5.67ha (14 acres) is too small for most major developers and too large for most end users. It was therefore decided to enhance both the capital receipt and the appeal of the land to the market by providing the infrastructure and services so that the site could be marketed as individual serviced plots. This work is expected to improve the net capital receipt and the proposal is supported by a report provided by external consultants. The hotel site would prove disproportionately expensive to provide with services in isolation and it is therefore proposed to install services in such a way that the developers can gain access at a reasonable cost. It may be necessary to vary the boundaries of the hotel site as the originally allocated site has been partly compromised by work on the bypass and so the site boundary of the land to be marketed has been adjusted to retain an appropriate development area. The revised boundary will be considered as part of the planning process when a planning application is submitted by the developer and any alteration to the site boundaries as marketed will have to be reflected in the sale agreement.

4. Key Implications

(a) Policy

The Council's approved Corporate Asset Plan 2017 – 2022 requires that, in line with Government guidance, all assets not required to meet the Council's service priorities or statutory needs will be disposed of for best consideration. This policy also directly assists the Council's Capital Investment Strategy by providing capital receipts to meet direct funding needs for approved Capital

investment schemes. The Corporate Asset Plan specifically requires that surplus land assets are included in a planned disposal programme to directly fund the Council's Capital Investment programme.

The current Local Plan identifies a Park and Ride site adjacent to the A6 as part of Policy AD37 – “The Council will seek the provision of high quality car parking facilities at park and ride sites for long stay users as indicated on the Policies Map”. This policy was founded upon a 1999/2000 proposal made by the former County Council for a network of park and ride sites around the town at Cardington Cross, Clapham, Biddenham and Elstow.

The 2035 Local Plan has deleted the specific detail of Policy AD37 (Park and Ride Facilities) in favour of a more general approach as set out in Policy 91 – Public transport “Where appropriate, new developments shall provide new public transport routes and infrastructure, or support to existing services so that people can make informed travel choices”.

Whilst a Park and Ride site north of Bedford could well be desirable as part of a co-ordinated strategy for congestion relief, it may be that such a facility is better located further from the town in order to attract drivers at an earlier point in their journeys.

(b) Legal Issues

The Council has a statutory duty under Section 123 of the 1972 Local Government Act to obtain best consideration from property disposals. The sites will therefore either be placed on the open market inviting offers or, if a suitable offer or offers are received prior to marketing, then any agreement will be subject to ratification as representing best value by an external independent valuer. It is intended that the freehold interest in the land will be offered for sale but offers to take a long term ground lease would be considered to enhance the Council's revenue stream.

(c) Resource Implications

£632,000 has been identified in the capital programme to cover the estimated costs of providing infrastructure to the site, which will include construction of an access road and provision of services to the curtilage of each plot.

The Capital Programme for 2018/19 – 2021/22 assumes capital receipts from the sale of land at Fairhill. A long leasehold agreement would be on the basis of a ground rent, which would contribute towards the Council's revenue budget. The current capital receipts forecasts assume that part of the site will be disposed of on a long leasehold basis, but no assumptions have yet been made in terms of rental income within the revenue budgets as it is too soon to make accurate forecasts.

(d) Risk Implications

There is a risk that:

- It may not be possible to agree terms with third parties for the development of all or part of this land for various reasons including market demand and economic conditions.
- The costs of developing the site may be higher than initially expected making it uneconomic to develop resulting in a lower capital receipt or ground rent than initially estimated. Such costs will be monitored by officers as the project proceeds.
- For reasons of market and economic conditions, or cost and complexity of developing the site, capital receipts or rental income may be received later than initially estimated.
- Wider economic growth related benefits, including Non Domestic Rate income and jobs, may not be realised either to the extent or within the timescale initially estimated.
- Cost of construction of the infrastructure may now be higher than estimated at the time the Capital Bid was made in 2015.

(e) Environmental Implications

The site has been subject to various uses in the past, but in recent years the majority of the site has been disused. The environmental issues involved in the proposed change of use will be considered as part of the planning process.

(f) Equalities Impact

A relevance test for equality has been completed. The equality test determined that the activity has no relevance to Bedford Borough Council's statutory equality duty to eliminate unlawful discrimination, advance equality of opportunity and foster good relations. An equality analysis is not needed.

5. Details

An area of land which included the land shown at Appendices A and B together with the area now occupied by the northern bypass was allocated for employment use with a park and ride along with a large area of land for residential development, as Policy H8 within the Local Plan 2002. Subsequently planning consent was granted for much of the residential development and for the construction of the northern section of the Bedford Bypass. Policy H8 (now AD18) was one of those declared as a Saved Policy in the Local Plan 2013 update.

In the Allocations and Designations Local Plan 2013 the alignment of the bypass had been ascertained and the area allocated for employment and a park and ride facility was restricted to the Council's land south of the bypass under saved Policy AD37. In addition approximately 2 acres of land north of the bypass was allocated for hotel development under Policy AD18. The remainder of the land north of the bypass was required to provide space for a surface water attenuation pond to serve the bypass and the allocated employment land.

As the cost of providing a satisfactory access to the site in isolation would have been prohibitive, it was not feasible to market the land until the new section of bypass had been constructed. In the meantime advice was sought from external consultants on the feasibility of increasing the net capital receipt from the sale of the allocated land if the Council funded the provision of the infrastructure. At the same time the Council's Engineering team were asked to provide indicative layouts and costing for the provision of the infrastructure. The valuation and infrastructure construction advice demonstrated that the ability for the Council to offer serviced land to the market would increase the net capital receipt. As a result a business case was prepared and a case submitted as a bid for funding as part of the Capital Programme. The sum of £632,000 has been allocated in the Capital Programme to cover the cost of infrastructure provision.

Having secured the necessary funding to provide the infrastructure, external consultants have been engaged to design the infrastructure and a masterplan for the site in order that a planning application can be submitted. Following the receipt of consent detailed design work of the infrastructure will be commissioned and the works put out to tender.

The Council has been approached by two prestigious end users, one requiring 4 acres and the other 5 acres (a total of 9 acres) and who favour the location of the Fairhill site, having considered other options. Negotiations have taken place with both parties resulting in Heads of Terms acceptable to the Council and verified by independent external valuers as representing best value.

Given agreement on the disposal of approximately 9 acres to the two end users, there remain a further approximately 5 acres of development land together with the allocated hotel site available for disposal. A firm of marketing consultants has been engaged to provide advice on the way to achieve best value from this land in terms of its location and plot layout within the master plan.

It is anticipated that a planning application setting out a masterplan for the development of the employment land and its infrastructure will be submitted in spring 2018. At the same time or soon after detailed applications for the construction of the developments proposed by the two end users will be submitted. Following the receipt of a planning consent work to design and construct the infrastructure will commence and the marketing consultants will offer the land not subject to an agreed disposal arrangement to the open market as serviced development land with outline planning consent.

The total forecast capital receipt within the Capital Programme 2018/19 – 2012/22 from the disposal is based on the expectation that 9 acres will be sold a freehold basis and 5 acres will be disposed of on a long leasehold basis with a ground rent being payable.

*(5)

6. Summary of Consultations and Outcome

The following Council Units or Officers and/or other organisations have been consulted in preparing this report:

- The Portfolio Holder for Finance, Customer Services and Information Technology
- Management Team
- The Business Managers for Finance and for Legal Services and Economic Development

No adverse comments have been received.

7. Ward Councillor Views

Not applicable for this report

Report Contact Officer: Margaret Birtles, Manager for Asset and Estate Management.

Email: Margaret.birtles@bedford.gov.uk Jonathan Shortland, Chief Officer for Planning and Highways.

E-mail: Jonathan.shortland@bedford.gov.uk.

File Reference: Not applicable

Previous Relevant Minutes: Not applicable

Background Papers: None

Appendices: Appendix A – Plan of the proposed hotel site and the gross employment land area available

**APPENDIX A TO THIS
REPORT IS EXEMPT FROM
PUBLICATION.**

If you require further information please contact the Report Author direct.