



Land at Leicester Road, Broadnook

Decision to be taken by: City Mayor

Decision to be taken: 26
September 2024

Lead director: Andrew Smith

Useful information

- Ward(s) affected: Out of City
- Report author: James Grant
- Author contact details:

1. Purpose of report

This report is to seek authority for a direct disposal of the Councils freehold interest in land at Leicester Road, Broadnook to Barwood Land and Davidson Homes (“the developers”).

The Council’s land is approximately 30 acres and forms part of a wider development site at Broadnook Garden Village, located in Charnwood Borough. The land is shown edged red on the plan attached as per appendix 1.

2. Summary

The Councils land at Broadnook forms part of an urban extension allocated in Charnwood Borough Councils Local Plan. The proposed development has been promoted as a new Garden Village called “Broadnook” and the Councils land of 30 acres forms part of a wider development site of approximately 477 acres. The initial phases of development have commenced.

Heads of terms have been agreed for the disposal of the Councils freehold land as per Appendix 2, which, for reasons of commercial sensitivity, is withheld from publication until contracts have been entered into to dispose of the freehold interest in the site.

The land is subject to an agricultural tenancy dated 25th July 2014 to a tenant farmer who will continue to farm the land. The land will be transferred to the developers subject to the agricultural tenancy but as a condition of the sale, the Council will be required to serve a notice to quit to the farmer prior to completion of the transfer.

3. Recommendations

The City Mayor is recommended to:

- approve the freehold disposal of the Councils interest in the land at Leicester Road, Broadnook (identified in Appendix 1) to Barwood Land and Davidsons Homes (the Purchaser).
- Instruct Legal Services to serve notice to quit on the tenant farmer on the Councils land interest at Leicester Road, Broadnook and prepare the legal documentation for its sale.

4. Report/Supporting information:

The Councils interest was promoted and allocated in Charnwood Borough Councils Local Plan 2006-2028 Core Strategy as a sustainable urban extension adjacent to

the Leicester Principal Urban Area referred to as the “North of Birstall Direction of Growth.”

The location of the development, known as “Broadnook” provided an opportunity to create a new exemplar garden village, adjacent to, and immediately north of the A46 between Birstall and Rothley. The site will consist of three distinct areas: to the north an extensive area of green infrastructure and recreational facilities, in the central location, residential areas known as Phase 1 & 2 consisting of over 650 & 725 dwellings respectively, the Broadnook Centre and the Broadnook Enterprise Area; whilst to the south will be Phase 3, consisting of a further 575 dwellings.

The Council's land will be in Phase 3 and is not expected to be developed for at least 5 years. It should be noted that the land cannot be developed independently and can only be progressed when the infrastructure has been completed via Phases 1 & 2.

Planning permission was granted on the 5th of November 2020 ref P/16/1660/2

The Council entered into an Option Agreement in 2016 with the previous owners of the wider adjacent site, The Trustees of the Charles Palmer-Tomkinson's Children's Settlement and Mr Anthony Cooper and Mr Steven Larwood for a 10-year period, expiring on 14th July 2026. The previous owners eventually sold their interest to Barwood Land & Davidsons Homes in 2022. On the sale of their interest, the option agreement entered into with the Council was assigned to Barwood Land & Davidsons Homes.

The terms for the option were that the developers could draw down the Council's land over a 10-year period at a minimum guaranteed price reflecting the initial investment to progress the scheme through the planning system.

To activate the option, certain criteria would have to be satisfied by the developers before an option notice can be served on the Council. As the Council's interest is in Phase 3 of the development, it was foreseen that the development and acquisition of the Council's interest would be in the long term.

The Council currently receives an income for the land of £2,700pa from the tenant farmer.

Dialogue was initiated by the developers in early 2024 to see if the Council would be interested in disposing of its interest outside of the terms of the option agreement for an early acquisition.

An offer for the Council's land has been negotiated and has been independently verified as representing Best Value under S123 of the Local Government Act 1972 by RICS qualified Chartered Surveyors from Savills. The agreed Heads of Terms outlining the disposal value are attached as Appendix 2.

The receipt will be paid to the Council in two tranches within the financial years of 24/25 & 25/26.

5. Financial, legal and other implications

5.1 Financial implications

The proposed sale of the land would result in a capital receipt which, after any costs associated with the sale, are required to be ringfenced for capital purposes or to repay debt. The loss of £2.7k annual rent will be managed within current revenue budgets.

Stuart McAvoy – Head of Finance 9/9/2024

5.2 Legal implications

1. The Council has a legal obligation to dispose of land at the best consideration reasonably obtainable in accordance with s.123 of the Local Government Act 1972 (as amended). Open marketing is acknowledged to achieve best consideration.

2. The intention to dispose of the property at best consideration on the basis of a one-to-one transaction without open marketing for purposes set out in this report, will need to satisfy and be in accordance with the Disposal Policy Framework forming part of the Council's Constitution. The Executive will need to be satisfied that the disposal accords with the relevant provisions of the Framework relating to exemptions for 1-1 disposals.

3. Although the disposal appears to be for the best consideration as independently verified by RICS Chartered Surveyors, Savills, the Council will also need to ensure that the Council's general fiduciary duty is complied with in disposing of assets in accordance with the Disposals Framework.

4. Without an open market exercise, officers cannot be absolutely certain that best consideration has been achieved. (Without open marketing there is the potential risk that a higher value could have been achieved through exposure to the market, but it is likely that the existing Option Agreement would have affected and/or reduced the possibility of open market interest.)

Zoe Iliffe, Principal Lawyer (Property, Highways & Planning) 28/9/2024

5.3 Climate Change and Carbon Reduction implications

There are limited climate emergency implications for Leicester directly associated with this report, as the land lies outside the city boundary. More widely, however, buildings and new development are a significant source of UK carbon emissions. As the land is intended to be used for the construction of dwellings, the

purchaser should be encouraged to consider opportunities to reduce the carbon emissions of any future development. As the land is outside the city the council has very limited influence, however it should be noted that the development will be required to follow local planning policies around sustainable development the relevant building regulations.

Aidan Davis, Sustainability Officer, Ext 37 2284 21/8/2024

5.4 Equalities Implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation and any other conduct prohibited by the Act, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't. Due regard to the Public Sector Equality Duty should be paid before and at the time a decision is taken, in such a way that it can influence the final decision.

The PSED cannot be delegated and therefore, the responsibility remains with the authority to put into place mechanisms by which these statutory duties can be stipulated as a requirement and monitored.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

This report seeks authority for the one-to-one freehold disposal of 30 acres of land.

There are no direct equality implications arising from this report, however a key consideration in relation to future development of the sites, is accessibility of the space. The design of the space should adhere to accessible design principles in order to ensure that people with different protected characteristic/s are able to access and utilise the space to its full potential.

Surinder Singh Equalities Officer Ext, 37 4148 21/8/2024

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

None

6. Background information and other papers:

7. Summary of appendices:

Appendix 1 – sale plan

Appendix 2– agreed detailed heads of terms (Not for Publication)

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

The decision report is a public report, but Appendix 2 is marked “Not for Publication” because it contains exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as amended: i.e. “Information relating to the financial or business affairs of any particular person (including the Authority holding that information)”. Appendix 2 will be published on the decision page of the Council website once contracts have been entered into.

9. Is this a “key decision”?

No

10. If a key decision, please explain reason.

