

**NORTHAMPTON BOROUGH COUNCIL**  
**Overview and Scrutiny Committee**

Your attendance is requested at a meeting to be held in  
the Jeffrey Room, Guildhall, St. Giles Square, Northampton, NN1 1DE  
on Monday, 2 December 2013 at 6.30pm.

**D Kennedy**  
**Chief Executive**

If you need any advice or information regarding this agenda please phone Tracy Tiff, Scrutiny Officer, telephone 01604 837408 (direct dial), email [tiff@northampton.gov.uk](mailto:tiff@northampton.gov.uk) who will be able to assist with your enquiry. For further information regarding **Overview & Scrutiny Committee** please visit the website [www.northampton.gov.uk/scrutiny](http://www.northampton.gov.uk/scrutiny)

**Members of the Committee**

Chair	Councillor Jamie Lane
Deputy-Chair	Councillor Brian W Sargeant
Committee Members	Councillor Tony Ansell Councillor Joy Capstick Councillor John Caswell Councillor Mick Ford Councillor Brendan Glynane Councillor Elizabeth Gowen Councillor Phil Larratt Councillor Matt Lynch Councillor Lee Mason Councillor Nilesh Ramesh Parekh Councillor Suresh Patel Councillor Sivaramen Subbarayan Councillor Winston Strachan

## Agenda

Item No	Title	Pages	Action required
1	Apologies		Members to note any apologies and substitution.
2	Deputations/Public Addresses		<p>The Chair to note public address requests.</p> <p>The public can speak on any agenda item for a maximum of three minutes per speaker per item. You are not required to register your intention to speak in advance but should arrive at the meeting a few minutes early, complete a Public Address Protocol and notify the Scrutiny Officer of your intention to speak.</p>
3	Declarations of Interest (Including Whipping)		Members to state any interests.
4	Call in of Cabinet Decision of 13 November 2013, Item 10: - Disposal Programme 2013/2014 - Sale of Buildings and Land	1 - 9	<p>Called-in by Councillors Dennis Meredith and Sally Beardsworth (copy attached).</p> <p>Item 10, decision taken on Wednesday, 13 November 2013:</p> <p><b>Decision:</b></p> <ol style="list-style-type: none"> <li>1. Cabinet approved the principle of the disposal by this Council of the freehold interest in land and buildings situated off Blackthorn Road, shown edged red upon the plan at Appendix 1 of the report.</li> <li>2. Cabinet delegated to the Director of Regeneration Enterprise and Planning the power to approve the terms of the disposal, in consultation with the Cabinet Member for Regeneration Enterprise and Planning.</li> <li>3. Cabinet requested that officers work with existing occupiers of the property to help identify suitable re-location opportunities, if they are displaced as a result of this disposal</li> </ol> <p><b>Procedure for the Call In Hearing</b></p> <p>Public speakers will be asked to address the Committee; a maximum of</p>

		<p>three minutes is given to each to make comment.</p> <p>The Call-In Authors, Councillors Dennis Meredith and Sally Beardsworth, will be invited to expand upon their reasons for concern, following which the Overview and Scrutiny Committee will question the Call-In Authors.</p> <p>Councillor Tim Hadland, Cabinet Member for Regeneration, Enterprise and Planning, will be invited to make a presentation outlining his main reasons for the decision. The Committee will then put questions to the Cabinet Member and Officers.</p> <p>Officers will be invited to give evidence and respond to the Overview and Scrutiny Committee's questions. The Officers will be asked to give their reasons for any recommendations or advice to Members. A question and answer session will follow.</p> <p>The Call-In Authors will then be given the opportunity to add any points of clarification before any resolution or recommendation is moved.</p> <p>The Chair will then sum up the findings regarding the Cabinet decision. If there are still concerns, the Chair will lead in the determination of the recommendation with reasons for consideration by Cabinet. At the conclusion of the debate and following response to all matters raised, the Chair will ask the Committee to vote to determine whether or not it upholds the decision of the Cabinet.</p>
5	<b>The Chair to Move:-</b>	<p>That the public be excluded from the remainder of the meeting on the grounds that there is likely to be disclosure to them of such categories of exempt information as defined by Section 100 [1] of the Local Government Act 1972 as are listed against such items or items of business by reference to the appropriate paragraph of Schedule 12a to such Act.</p>

# Agenda Item 4

**Urgent: For the attention of the Chief Executive, the Proper Officer & The Monitoring Officer**

I am a member of Northampton Borough Council, and supported by Sally Beardsworth and all of the Liberal Democrat group and by Lee Mason of the Labour Group.

As members of Northampton Borough Council, we request a call in of the Cabinet decision from this months meeting. In particular, the decision to move the report titled "Disposal Programme 2013/14 – sale of buildings and land".

We request this call-in on the basis of a number of demonstrable flaws in the decision making process, in particular:

1. **15.9.4.6 (a)** - There has been no consultation, except with the "ward Councillor", who is leader of the Council. As such, the Consultation is inadequate as described in NBC constitution 15.9.4.6 (a) – for use of it's failure to consult "in accordance with any extant Council consultation toolkit or policy"

The Northampton Borough Council Consultation Toolkit has 8 steps, with 3 further elements to be integrated into consultation. Not a single one of these was considered, consulted or observed.

The consultation with the "ward Councillor" is undermined and further inadequate because of the Councillor's refusal to attend the meeting requested by business owners because he was "too busy".

2. **15.9.4.6 (b)** – It is also clearly the case that there is inadequate information on which to base this decision. While the lack of consultation alone means there is not the proper information regarding the impact on existing land users, local communities who are served by the business etc., there are several other pieces of information which should be taken into account that are clearly missing from the report. Firstly, on top of the lack of consideration for the consequences of forcing existing businesses off the land, lack of detailed definition regarding the intended development mean that the impact of this stage on local communities has also been ignored. Secondly, the assertion that the offer is 'well above market value' is not demonstrated, with assertions that an "independent valuation may be necessary". The independent valuation is definitely necessary, and should have been brought forward alongside this report, to help contextualise the financial efficacy of the sale.
3. **15.9.4.6 (d)** – The sudden sale of this land, which requires the eviction on around a dozen small businesses, has generated substantial controversy within the Workshops themselves and the local community. We appreciate that the cabinet may not have been aware of this fact due to the fact the ward Councillor felt it unnecessary to speak to his residents and pass on their concerns – but whether they are aware of it or not, controversy exists.

4. **15.9.4.6 (e) & (f)** – The report is notably lacking in proper financial information – with figures not present regarding the offer made on the land, the market value of the land, the current income generated by Blackthorn Workshops, etc.
5. **15.9.4.6 (g)** – The decision makers have clearly overlooked important factors in making this decision, including, but not limited to, the feelings and thoughts of local business owners, the needs, desires and opinions of the local community, the value of the land, financial and otherwise, the right of the community to have some consideration paid to these things, as regards the existing situation and a potential development on their doorsteps.



## CABINET REPORT

<b>Report Title</b>	<b>Disposal Programme 2013/14 – sale of buildings and land</b>
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**AGENDA STATUS: PUBLIC**

<b>Cabinet Meeting Date:</b>	13 November 2013
<b>Key Decision:</b>	Yes
<b>Within Policy:</b>	Yes
<b>Policy Document:</b>	No
<b>Directorate:</b>	Regeneration, Enterprise & Planning
<b>Accountable Cabinet Member:</b>	Regeneration Enterprise and Planning - Cllr Tim Hadland
<b>Ward(s)</b>	Rectory Farm

### 1. Purpose

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- 1.1 The purpose of this report is to seek the authority of Cabinet to the principle of the disposal of the freehold property referred to in the report.

### 2. Recommendations

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- 2.1 That Cabinet approves the principle of the disposal by this Council of the freehold interest in land and buildings situated off Blackthorn Road, shown edged red upon the plan at Appendix 1.
- 2.2 That Cabinet delegates to the Director of Regeneration Enterprise and Planning the power to approve the terms of the disposal, in consultation with the Cabinet Member for Regeneration Enterprise and Planning.
- 2.3 That Cabinet requests that officers work with existing occupiers of the property to help identify suitable re-location opportunities, if they are displaced as a result of this disposal.

### **3. Issues and Choices**

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#### **3.1 Report Background**

- 3.1.1 This Council owns the property known as Blackthorn Workshops and adjacent land, shown edged red on the plan at Appendix 1. The property was originally transferred from the former Northampton Development Corporation. The depot comprises a number of small workshop units. Whilst the majority of the workshops units have been let for most of that time, it is a relatively management intensive property with a regular turnover of tenants.
- 3.1.2 The property edged red on the plan is situated adjacent to the site of the former Blackthorn Middle School shown edged blue on the plan at Appendix 2. That land is owned by Northamptonshire County Council ('NCC'). NCC and this Council have been approached by a party who is interested in acquiring both NCC's larger land area and the property owned by this Council. The value of the form of development proposed is significantly above that of its current use as workshops and adjacent amenity land /private road. Additionally, the proposal could lead to the creation of over 200 new permanent jobs.
- 3.1.3 This Council has adopted an approach to managing down its total property holdings, consistent with the adopted Corporate Asset Management Strategy 2012-2015. This has focussed on eliminating holding costs and liabilities and ensuring that properties that are held to generate income do produce a satisfactory investment return. Blackthorn Workshops generates a net income of £22,424 in 2013/14. This figure ignores the costs of repairs and maintenance incurred in complying with landlord obligations and the costs of officer time in managing a multi let property. The future of the property was recently considered at Corporate Asset Board, where the principle of sale was generally supported.
- 3.1.4 The property currently has 12 separate occupations of 14 units. Nine of the units have only been let to their current occupiers since January 2010. Notice to quit has recently been served by another longer standing occupier of two units. Thus, the majority of the tenants have been in occupation for a limited period of years. Some of the tenants 'hold over' under protected business tenancies. In some cases there are 'break' provisions in the lease in favour of both the landlord and the tenant. The range of uses includes food preparation, vehicle repairs, taxi office, dog grooming and storage. If the property was to be disposed of for development, the purchaser would be responsible for complying with the provisions of the various leases and for compliance with statutory obligations (including compensation where applicable), if they wished to gain vacant possession.
- 3.1.5 The process of bringing forward the suggested development is likely to take a period of time, after conditional contracts were agreed. There would therefore be an opportunity for the Council to work with existing occupiers during that phase, to help identify suitable re-location possibilities.

#### **3.2 Issues**

- 3.2.1 Since the land and buildings were transferred to this Council on the winding up of the former Northampton Development Corporation, there are tapering claw back provisions on any sale proceeds in favour of the Homes & Communities

Agency. In the current year, this HCA share is 44% of value generated. Even having regard to these provisions, the likely net value of the land for the proposed development is still significantly in excess of its gross value for use as workshops and ancillary bare land.

- 3.2.2 The disposal of this land for alternative development would displace a number of existing business tenants. In some cases, subject to specific business requirements and available units, there may be opportunities to accommodate those tenants at other Council owned workshops. However, it is likely that some will need to find alternative premises in the private sector.
- 3.2.3 The property has not been marketed and the approach received was unsolicited. In order to confirm that the Council would achieve the best value possible for the property from any disposal, it may be necessary to obtain an independent valuation.

### **3.3 Choices (Options)**

- 3.3.1 The Council could choose not to dispose of the land edged red. This would enable the existing businesses to continue to operate from the property and for the Council to maintain a revenue income. However, an opportunity (likely to be "one off" in nature) would be lost to generate a capital receipt substantially in excess of the market value of the property in existing use. If this Council retained ownership of the property that could have a marginal adverse impact on the proposed disposal of the adjacent NCC land.
- 3.3.2 The Council could choose to dispose of the property, on a basis that generates a significant net capital receipt for the Council. Consequential redevelopment of the property would displace some existing businesses. These may not be able to be accommodated in other Council workshop premises.

## **4. Implications (including financial implications)**

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### **4.1 Policy**

- 4.1.1 There are none specifically.

### **4.2 Resources and Risk**

- 4.2.1 Capital & Revenue: There would be a substantial capital receipt generated from any disposal, although 44% of this gross sum, if completed in 2013 (and reducing by 2% per annum), would be payable to the Homes & Communities Agency. A budgeted net income of approx. £22,500 would be lost per annum from 2014/15 onwards. There would be a saving on officer time from not having to manage the property. There would be some external costs incurred if an independent valuation of the property is obtained, to satisfy 'best value' considerations.

- 4.2.2 Risk: The Council may enter into a conditional contract to sell the property, subject to the purchaser obtaining satisfactory planning permission. There is the possibility that the purchaser may not eventually get a planning approval, but that in the meantime the property is vacated by tenants taking up alternative opportunities to re-locate - with resulting income loss and void costs for this Council.



## **4.2 Legal**

4.3.1 Local authorities are generally under a duty to comply with Section 123(2) of the Local Government Act 1972 which requires that "Except with the consent of the Secretary of State a Council shall not dispose of land under this section, otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained." Section 123 issues are addressed in the body of this report. An independent valuation of the Council's interest may be necessary to demonstrate that best value has been obtained, in the absence of any general exposure of the property to the market.

## **4.4 Equality**

4.4.1 There are none specifically. The property is let to commercial tenants and there is no general access for the public.

## **4.5 Consultees (Internal and External)**

4.5.1 Ward Councillor

## **4.6 How the Proposals deliver Priority Outcomes**

4.6.1 The generation of a substantial capital receipt would help to meet the Council's need to invest in key priority capital projects whilst minimising new borrowing to fund that expenditure.

## **4.7 Other Implications**

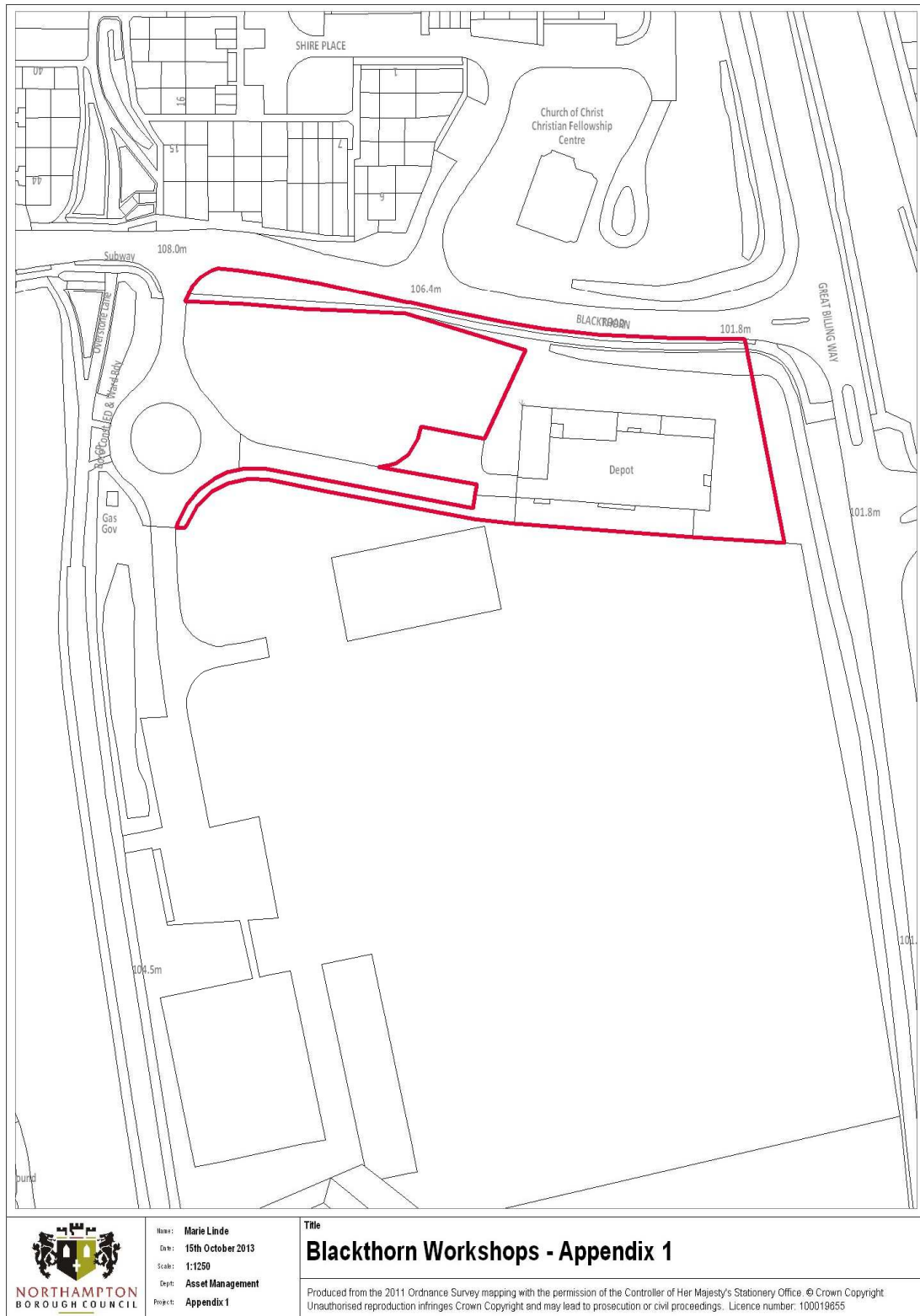
4.7.1 There are none specifically.

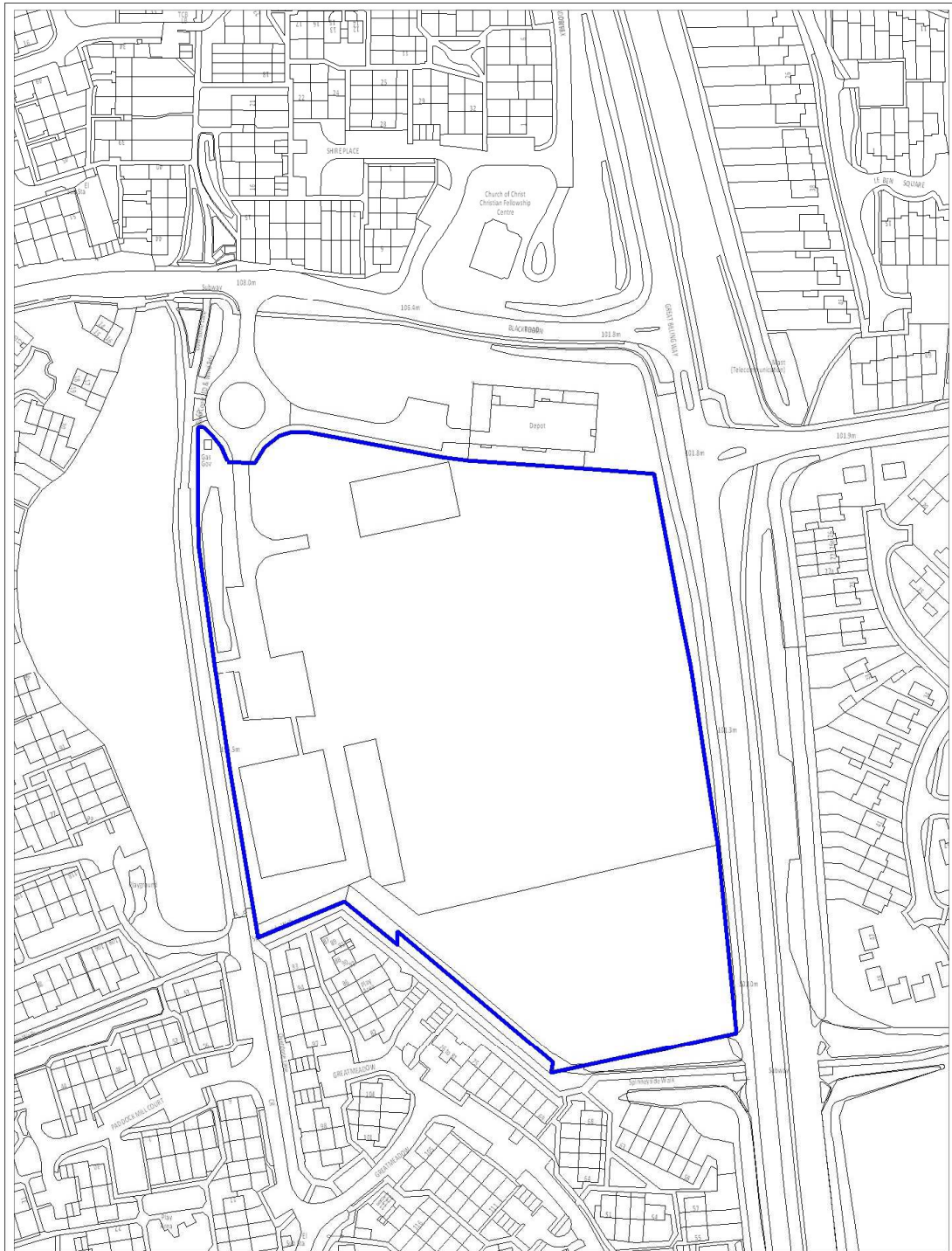
## **5. Background Papers**


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**None**

**Simon Dougall,  
Corporate Asset Manager,  
0300 330 7000**





 <p><b>NORTHAMPTON</b> BOROUGH COUNCIL</p>	<p>Name: Marie Linde          Date: 15th October 2013          Scale: 1:2000          Dept: Asset Management          Project: Appendix 2</p>	<p><b>Title</b>  <b>Blackthorn Road - Appendix 2</b></p> <p>Produced from the 2011 Ordnance Survey mapping with the permission of the Controller of Her Majesty's Stationary Office. © Crown Copyright. Unauthorised reproduction infringes Crown Copyright and may lead to prosecution or civil proceedings. Licence number: 100019855</p>
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**CABINET**

**WEDNESDAY, 13 NOVEMBER 2013**

**DECISIONS**

<b>PRESENT:</b>	Councillor Mackintosh (Chair); Councillor Markham (Deputy Chair); Councillors Bottwood, Hallam, Eldred and Hadland .
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Set out below is a summary of the decisions taken at the meeting of the Cabinet held on Wednesday, 13 November 2013. The wording used does not necessarily reflect the actual wording that will appear in the minutes.

These decisions will come into force and then may be implemented on the expiry of three working days after the publication of this list.

If you have any queries about any matters referred to in this decision sheet please contact Emma Powley - 01604 837089.

<b>THIS LIST OF DECISIONS PUBLISHED:</b>	<u>14<sup>th</sup> November 2013</u>
<b>DATE OF EXPIRY OF CALL IN:</b>	19 <sup>th</sup> November 2013 AT 17:00 HOURS

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<b>Agenda Item No</b>	<b>Declaration/Conflict of Interests:</b>
	None

**7. THE NORTHAMPTON ARMED FORCES COMMUNITY COVENANT PROGRESS REPORT**

1. Cabinet affirmed its continuing support for the Northampton Armed Forces Community Covenant.
2. Cabinet endorsed proposed future actions set out in the Northampton Armed Forces Community Covenant Action Plan and noted progress on those actions already implemented.

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<b>Agenda Item No</b>	<b>Declaration/Conflict of Interests:</b>
	None

**8. PRIMARY AUTHORITY PARTNERSHIP SCHEME**

1. Cabinet approved in principle the local authority entering into legal Primary Authority Agreements with businesses under the provisions

of Section 25 of the Regulatory Enforcement and Sanctions Act 2008, and

2. Cabinet approved delegation of authority to the Director of Customers and Communities in consultation with the Cabinet Member for Environment to take the actions specified in the recommendation below.
3. Cabinet endorsed the recommendation that any Primary Authority Agreement recovers all costs incurred by the Service (full cost recovery option in 3.3.2 of the report) based upon the current hourly consultancy rate in the Council's existing fees and charges structure.

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<b>Agenda Item No</b>	<b>Declaration/Conflict of Interests:</b>
	None

### **9. WEST NORTHAMPTONSHIRE DEVELOPMENT CORPORATION TRANSITION AND CLOSURE PROGRAMME**

1. Cabinet supported the principle of this Council taking the lead role in the advancement of a number of uncompleted key projects within Northampton given the impending closure of West Northamptonshire Development Corporation ("WNDC") on 31 March 2014
2. Cabinet approved the principle of the acquisition of assets and liabilities from WNDC on or before 1 April 2014, in so far as they are either located within Northampton or directly touch and concern the Town.
3. Cabinet delegated to the Chief Executive, the power to approve the terms of the transfer of assets and liabilities from WNDC, in consultation with the Leader of the Council, within the following parameters:
  - (i) no initial sums are paid by this Council for the acquisition of these interests
  - (ii) the basis agreed should minimise this Council's exposure to potential liabilities and the terms of the transfer should include sufficient actual or contingent assets to enable this Council to make adequate provision to cover all reasonably anticipated liabilities, both in terms of quantum and of timing.
  - (iii) That adequate transitional revenue funding is made available by the Department for Communities & Local Government to enable this Council to manage transferred assets and liabilities effectively in completing the relevant projects.

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<b>Agenda Item No</b>	<b>Declaration/Conflict of Interests:</b>
	Cllr Hadland declared a personal non pecuniary interest as a board member of WNDL.

## **10. DISPOSAL PROGRAMME 2013/14 - SALE OF BUILDINGS AND LAND**

1. Cabinet approved the principle of the disposal by this Council of the freehold interest in land and buildings situated off Blackthorn Road, shown edged red upon the plan at Appendix 1 of the report.
2. Cabinet delegated to the Director of Regeneration Enterprise and Planning the power to approve the terms of the disposal, in consultation with the Cabinet Member for Regeneration Enterprise and Planning.
3. Cabinet requested that officers work with existing occupiers of the property to help identify suitable re-location opportunities, if they are displaced as a result of this disposal

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<b>Agenda Item No</b>	<b>Declaration/Conflict of Interests:</b>
	None

## **11. DEMOLITION OF GREYFRIARS COMPLEX**

1. Cabinet supported the demolition of the Greyfriars Complex to help bring forward the expansion of retail and other commercial uses on this land.
2. Cabinet approved the inclusion within the Council's capital programme for 2013/14 of £500,000 and of £3,500,000 in 2014/15 for the purposes of the demolition of the Greyfriars Complex, with works commencing within the current financial year.
3. Cabinet supported continuing work with the relevant subsidiary of Legal & General plc and other parties, as appropriate, to bring forward re-development of this land and other land holdings in Northampton town centre.
4. Cabinet delegated authority to the Chief Executive in consultation with the Cabinet Member for Regeneration, Enterprise and Planning to enter into a contract with the framework contractor.

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<b>Agenda Item No</b>	<b>Declaration/Conflict of Interests:</b>
	None

## **12. TREASURY MANAGEMENT MID YEAR REPORT 2013-14**

Cabinet recommended to Council that they endorse the Council's treasury management activities and performance for the period 1 April to 30 September 2013.

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<b>Agenda</b>	<b>Declaration/Conflict of Interests:</b>
<b>Item No</b>	None

### **13. PERFORMANCE AND FINANCE QUARTERLY REPORT**

1. Cabinet noted the contents of the report.
2. Cabinet noted the variations approved under delegated authority, as set out in Appendix 2 of the report.