



CABINET REPORT

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| Report Title | Land at Sixfields – Development Strategy |
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AGENDA STATUS: PUBLIC

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| Cabinet Meeting Date: | 11 July 2012 |
| Key Decision: | Yes |
| Listed on Forward Plan: | Yes |
| Within Policy: | Yes |
| Policy Document: | No |
| Directorate: | Regeneration, Enterprise & Planning |
| Accountable Cabinet Member: | Cllr Tim Hadland |
| Ward(s) | St James |

1. Purpose

- 1.1 The purpose of this report is for Cabinet to consider this Council entering into contractual arrangements with partners, which would involve the disposal of freehold land or the grant of a new long lease of land presently forming part of Sixfields Stadium, to help promote comprehensive development in the locality. The aim would be to support economic growth and employment generation, aid social and environmental regeneration of the area, potentially release funding for the provision of additional community facilities and assist key sports clubs within Northampton to meet their aspirations for improved accommodation and facilities.

2. Recommendation

That Cabinet:

- 2.1 Approves this Council entering into a Collaboration Agreement (CA) with the Homes & Communities Agency (HCA), to promote the comprehensive development of land forming:

- (i) part of the Sixfields Stadium complex (shown edged red upon the attached plan at Appendix 1) and
 - (ii) larger adjacent landholdings in the freehold ownership of HCA (shown indicatively edged blue upon the attached plan at Appendix 1), on terms to be approved by the Chief Executive in consultation with the Cabinet Member for Regeneration Enterprise and Planning.
- 2.2 Approves, in pursuance of 2.1, the acceptance of a surrender of part of the property presently let to Northampton Town Football Club Limited (NTFC) and the disposal of the Council's freehold interest in the land or the grant of a new long lease of the land edged red upon the plan at Appendix 1 for development. There would be consequent sharing of value between NBC and NTFC of receipts received under the proposed CA in respect of the land edged red, on a basis that appropriately reflects the respective legal interests of the parties.
- 2.3 Recognises the importance of high quality athletics facilities in Northampton and supports the principle that as a pre-condition of any development of the land edged red upon the attached plan at Appendix 1, alternative athletics facilities to meet United Kingdom Athletics Class A certification ("suitable for all competition") standard must first be provided within Northampton at no direct cost to this Council, on a basis that generally protects the existing contractual rights enjoyed by Rugby & Northampton Athletics Club in respect of the existing facilities.
- 2.4 Approves the principle that under the terms of a Collaboration Agreement as set out at 2.1, provision is made for 25% of the total net value arising from the combined land sale (prior to any distribution of any apportioned receipts between HCA and this Council) to be specifically allocated to support the provision of additional community facilities. Such allocation to be distributed by this Council according to criteria that shall take into account
- (i) the promotion of health, leisure and well being amongst the wider community of Northampton through the provision of new or additional facilities predominantly situated within the vicinity of Sixfields
 - (ii) that such new or additional facilities shall be widely available to the public at reasonable cost and
 - (iii) that statutory obligations avoiding 'state aid' shall be fully observed.

3. Issues and Choices

3.1 Report Background

- 3.1.1 In 2004, as part of the "Joint Brownfield Initiative", this Council transferred various areas of land at Sixfields to English Partnerships (now HCA). That land was partially remediated by English Partnerships and the land edged blue on the plan at Appendix 1, together with other land in the ownership of HCA in the locality, now forms part of the Northampton Waterside Enterprise Zone (NWEZ).

- 3.1.2 Sixfields Community Stadium is owned freehold by this Council. It is let to Northampton Town Football Club Limited under the terms of a 150 years lease, dated 13 April 2004. The permitted uses of the land comprised within the lease are restricted. The lease to NTFC is also subject to the terms of a Licence agreement dated 17 March 2004, relating to the use of the athletics facilities that form part of the stadium complex. That agreement with Rugby and Northampton Athletics Club (R&NAC) remains valid until 2029. Sixfields Stadium also forms part of the NWEZ.
- 3.1.3 This Council together with its partners within South East Midlands Local Enterprise Partnership (SEMLEP) and beyond wish to bring forward development, promote economic growth and create additional employment at Sixfields consistent with the wider objectives of the NWEZ. It is recognised that given the previous uses of land at Sixfields, there are additional challenges in achieving development in this area due to poor residual ground conditions. Consequently, mixed use forms of development on the land are likely to be necessary to support its overall financial viability. The status of the land within the NWEZ also helps to promote its development, through business rate relief opportunities for occupiers for a period of up to five years (up to a ceiling figure).
- 3.1.4 NTFC wish to expand and improve Sixfields Stadium and the Council supports this aspiration. The Lease granted by this Council to NTFC in 2004 makes provision for part of the landholding to be sub-let for use as a hotel and conference facility. The Council has subsequently accepted a variation of the approach set out in the lease in relation to this land, to support the Club in achieving a valid commercial methodology to generate value from that. The present proposal would facilitate re-development of the land that presently accommodates the athletics facilities at Sixfields Stadium. As part of a wider comprehensive development, this offers scope for additional capital monies to be generated that can legitimately be shared with NTFC.
- 3.1.5 Rugby & Northampton Athletics Club (R&NAC) has been recognised by this Council as important in supporting and promoting participation in athletics in Northampton and in coaching and supporting performance athletes. It has been acknowledged that there are some existing constraints to R&NAC achieving the full extent of their aspirations at Sixfields. The Club has previously recognised that relocation to an alternative facility in Northampton, on appropriate terms, may offer them the opportunity to access improved facilities.
- 3.1.6 Part of the land owned by HCA, included within the area edged in blue on the plan at Appendix 1, is let by them to Northamptonshire County Council and is used as a household waste recycling site. That area is shown indicatively hatched green on the plan. The surrender of that lease and the re-provision of that facility at a suitable alternative location would also be a pre-requisite of a comprehensive development scheme being undertaken.
- 3.1.7 A scheme of development on this land that might be brought forward by a developer appointed by HCA and NBC would be likely to include some retail element. The scale and arrangement of such provision, within the context of a wider overall development scheme, would need to be discussed at pre-planning application stage with this Council (in its separate statutory capacity as Local Planning Authority) to seek to avoid potential conflicts with local and national planning policy, where possible.

3.1.8 The commercial benefit of any development scheme and the consequential values that may be generated from it will ultimately be determined by the costs of undertaking the scheme and the market values of the property created. The financial viability and value of any particular scheme will ultimately be determined by the developer appointed, who will bear all risks of the project.

3.2 Choices (Options)

3.2.1 Option 1 – No Development - The Council could choose not to support the recommendations contained in this report and to retain ownership of the freehold interest in all parts of Sixfields Stadium. This could limit opportunities for development that would, if realised, support employment creation and economic growth in relation to the land presently let to NTFC. Similarly, it would limit any scope for generating additional value for this Council or for NTFC in relation to that land. The HCA owned sites do form part of the NWEZ and have already been identified for development to support employment generation.

3.2.1 Option 2 – Partial Development - The Council could choose to agree with NTFC a limited form of re-development proposal affecting only the land coloured red on the plan at Appendix 1. This might offer some modest scope for additional value to be generated, but would still have to address the cost issue of high quality athletics facility re-provision elsewhere in the Town. Importantly, it would also limit the opportunities for linking development with that on wider areas of adjacent land within the NWEZ, which might generate greater economic benefits and create scope for additional community facilities to be funded.

3.2.2 Option 3 – Full Development -The Council could choose to support the recommendations at 2.1 to 2.4 above. This would support an approach that offers the greatest scope for promoting growth and employment within the Enterprise Zone on this land, bringing some partially remediated land into higher productive uses, providing a potential source of funding for additional community facilities and helping to support the aspirations of NTFC.

4. Implications (including financial implications)

4.1 Policy

4.1 Any planning application made by a developer appointed under the proposed Collaboration Agreement would need to be considered by the Council, in its capacity as local planning authority, in the context of local and national planning frameworks. The promotion of this land for development in this area is consistent with the aims and objects of the Northampton Waterside Enterprise Zone.

4.2 Resources and Risk

4.2.1 The costs of progressing a collaboration agreement with HCA and ancillary agreements with NTFC will incur officer time and potentially some shared external professional costs. The Council would not be exposed to any development cost risk under the basis proposed. The structure of any agreements would require replacement athletic facilities to be provided prior to the re-development of existing land. The values that may be generated from any scheme will be determined by

the market values and costs of development and cannot be precisely estimated at this time. Any business rate uplift from any buildings created within the NWEZ would contribute to the financial model for NWEZ and could potentially be payable to SEMLEP. This potentially provides a valuable source of potential funding for re-investment in SEMLEP and potentially Northampton.

4.3 Legal

4.3.1 The pertinent legal issues are dealt with generally in the body of this report. The procurement of any developer under a Collaboration Agreement with HCA would need to be in compliance with public procurement policy. Any disposal of land would need to be in accordance with the obligation to meet best value for this Council, consistent with s.123 of the Local Government Act 1972.

4.4 Equality

4.4.1 There are none specifically.

4.5 Consultees (External & Internal)

4.5.1 Homes and Communities Agency, Northampton Town Football Club Limited, Rugby & Northampton Athletics Club, SEMLEP, West Northamptonshire Development Corporation, Northamptonshire County Council, Ward Councillor, NBC Legal.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 The promotion of new commercial development within the Enterprise Zone, to create additional employment and generate economic growth is a key priority outcome. Similarly, providing support to help the aspirations of the Town's sports clubs be fulfilled has been identified as a significant priority.

4.7 Other Implications

4.7.1 The proposed forms of development selected by the procured Developer may have potential planning implications in terms of existing policy. Similarly, the balance of uses proposed will need to be considered in the context of the emerging business plan for the NWEZ.

5. Background Papers

5.1 Asset Management files

Simon Dougall, Corporate Asset Manager, x 8177