



CABINET REPORT

Report Title	Acquisition and disposal of land at Sixfields within Northampton Waterside Enterprise Zone
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AGENDA STATUS: PUBLIC

Cabinet Meeting Date:	9 October 2013
Key Decision:	Yes
Within Policy:	Yes
Policy Document:	No
Directorate:	Regeneration, Enterprise & Planning
Accountable Cabinet Member:	Regeneration Enterprise and Planning - Cllr Tim Hadland
Ward(s)	St James

1. Purpose

- 1.1 The purpose of this report is to seek the authority of Cabinet to the principle of (a) the acquisition of land from a major partner at Sixfields within the Northampton Waterside Enterprise Zone and (b) the subsequent disposal of those land areas to facilitate development of land for mixed uses.

2. Recommendations

- 2.1 That Cabinet approves the principle of the acquisition by this Council of the freehold interests in land situated at Sixfields, shown edged red upon the plan at Appendix 1 and shown edged blue upon the plan at Appendix 2, from the Homes and Communities Agency (“HCA”).
- 2.2 That Cabinet approves the principle of the subsequent disposal of the land edged red upon the plan at Appendix 1 to a private developer, consistent with the terms of a recently completed conditional land sale agreement, to bring forward mixed forms of development on land forming part of, and adjacent to, Sixfields Stadium.

- 2.3 That Cabinet approves the principle of the subsequent disposal of the land edged blue upon the attached plan at Appendix 2 to a developer or business that will bring forward forms of development consistent with Enterprise Zone objectives.
- 2.4 That Cabinet delegates to the Director of Regeneration Enterprise and Planning the power to approve the terms of the acquisitions and of the disposals, in consultation with the Cabinet Member for Regeneration Enterprise and Planning, the Council's Chief Finance Officer and Monitoring Officer within the following parameters:
- (a) no initial sums are paid by this Council to HCA for the purchase of these interests
 - (b) any future value sharing arrangements with HCA shall have regard to any net sums received by this Council, after taking into account any repayable forms of funding that may be sought by this Council from central government or other sources to support Enterprise Zone activity
 - (c) the basis agreed should minimise this Council's exposure to potential liabilities in the event that development does not occur within a reasonable timescale on one or both of the land areas edged red and blue on the attached plans at Appendices 1 & 2 respectively
 - (d) the basis agreed recognises the need for continued investment in key infrastructure within the Sixfields area to enable business and employment growth
 - (e) avoids any risks associated with "State Aid" regulations.

3. Issues and Choices

3.1 Report Background

- 3.1.1 The land areas situated (a) adjacent to Sixfields Stadium shown edged red on the plan at Appendix 1 and (b) located off Edgar Mobbs Way shown edged blue upon the plan at Appendix 2 is owned by Homes and Communities Agency ("HCA"). Both areas were originally acquired by HCA's predecessor organisation, English Partnerships, from this Council for value as part of a wider "Joint Brownfield Initiative". The land is the subject of significant former landfill but some areas of the land have been subject to partial remediation by English Partnerships. The land areas represent significant areas within the Northampton Waterside Enterprise Zone ("EZ").
- 3.1.2 This Council has previously confirmed its support for the expansion of Sixfields Stadium in Cabinet decisions made in July 2012 and July 2013. A conditional land sale agreement was made in September 2013 with Northampton Town Football Club Limited and a private developer. This was made to enable progress with early comprehensive development of part of the Stadium complex together with adjacent land. The inclusion of the HCA owned land shown on the plan at Appendix 1 is one of a number of important conditions that needs to be satisfied. HCA are a supportive partner in promoting development on this land which is very challenging, given the

difficult ground conditions and consequential abnormal costs of building upon it. The Council has agreed a provisional basis with HCA for a transfer of their land, at an appropriate point to support development. The HCA land includes an unadopted roadway at Walter Tull Way. Part of this HCA land is let to Northamptonshire County Council (“NCC”) for use as a household recycling centre. There is a need for this NCC facility to be re-located as part of the development. NCC is considering suitable alternative options at present.

- 3.1.3 This Council wishes to see the land area, shown edged blue on the plan at Appendix 2 and identified as “Site 7c” within the EZ, brought forward for development for employment uses - consistent with the objectives of the EZ. The Council and the HCA recognise that the land is financially difficult to develop for employment uses. There has been interest expressed in the land but any office or industrial development is likely to be unviable without the use of publicly sourced finance to help prepare the site. There are forms of funding that this Council can potentially access that HCA are not able to. Some sources, such as “Growing Places Funding” (from a large sum already allocated to South East Midlands Local Enterprise Partnership (“SEMLEP”) in connection with the EZ) are repayable. Other newer funding streams, specifically aimed at enterprise zones, are grant based. The transfer of the freehold to the Council could allow greater opportunities for either this Council directly, or through a sale to a developer (with end user), to create new employment accommodation.

3.2 Issues

3.2.1 Depending upon the timing of any acquisition of the respective land areas identified above, this could incur the Council in new holding cost liabilities, pending transfer to a final developer/occupier. The land is subject to monitoring regimes associated with methane gas and leachate management. Similarly, Walter Tull Way is in poor condition and requires capital works. The Council would not wish to accept new liabilities in the absence of supported forms of development taking place within acceptable time tables.

3.2.2 The precise final basis agreed for any disposal of the land would need to have regard to any consequential potential issues related to “State Aid”. As noted above, the Council may be able to access funding sources to support the costs of remedial works to the land edged blue (Site 7c). It could be repaid over a number of years from capital sums or income received from an occupier and/or from business rates uplift achieved within the EZ.

3.3 Choices (Options)

3.3.1 The Council could choose not to acquire the land edged red, adjacent to Sixfields Stadium - but that would be inconsistent with clear decisions taken recently to support comprehensive development that can help to support the expansion of the Stadium complex. Similarly, the Council could choose not to acquire the land edged in blue. This would limit exposure to potential costs risks, but would prevent opportunities for accessing funding sources that may help to bring forward early development leading to new jobs.

3.3.2 The Council could choose to proceed with the recommended courses of action set out above. This would help to ensure that important sites within the EZ are

made available on a basis consistent with existing Cabinet decisions. It would (a) support major mixed use development adjacent to the Stadium complex and (b) increase the opportunities for development of vacant land with poor ground conditions for EZ employment uses. It may result in the Council incurring expenditure that it cannot wholly recover, but there may be legitimate funding routes to reduce or eliminate any negative impacts on the Council's budgets as a result.

4. Implications (including financial implications)

4.1 Policy

4.1.1 There are none specifically.

4.2 Resources and Risk

4.2.1 Capital & Revenue: There may be net revenue costs incurred in relation to the proposed transactions. These could include dealing with fly tipping, leachate and gas management and similar issues as a result of holding the land. It is not possible to quantify with certainty what those may be at this time. Capital costs could be incurred in renewing elements of infrastructure. These potential costs could be mitigated, in part, by transferring land to third parties at an early stage. Where it is necessary to incur costs, any impacts on the Council's budgets could be reduced by seeking and using grant and repayable funding streams associated with enterprise zone activity and infrastructure investment.

4.2.2. Risk: The Council would seek to limit the risks of incurring estate management and infrastructure renewal costs by not taking transfers of the respective areas of land until it was satisfied that there was a strong prospect of supported forms of development happening. The risk of costs in the medium to longer term for land that is held could be mitigated by pursuing funding routes and arrangements with other public bodies that minimise any revenue costs for this Council.

4.3 Legal

4.3.1 The Council would need to comply with EU law in relation to "State Aid" in the methodology of providing any direct or indirect financial support to a developer or end user.

4.4 Equality

4.4.1 There are none specifically. The land is not presently open to the general public, save for the recycling centre operated by NCC. The latter would be relocated by NCC and the design and location of that would have regard to public access, equality and associated issues.

4.5 Consultees (Internal and External)

4.5.1 Northamptonshire County Council

4.6 How the Proposals deliver Priority Outcomes

4.6.1 The assembly of land holdings within the EZ is consistent with the Council's general strategy to support early development opportunities in the EZ, assist sports club expansion and promote employment growth within the Town.

4.7 Other Implications

4.7.1 There are none specifically.

5. Background Papers

Cabinet Reports:

"Land at Sixfields – Development Strategy" 11 July 2012

"Northampton Town Football Club and Northampton Saints Rugby Club – expansion plans" – 17 July 2013

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