

**REPORT OF THE STRATEGIC DIRECTOR PLACE**

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**TO THE PROPERTY AND REGENERATION BRIEFING**

**ON 21st December 2021**

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**TITLE: Disposal of land at the former Brackley Golf Course**

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**RECOMMENDATIONS:**

The Deputy City Mayor is recommended to:

Note the proposals detailed below on the terms as set out in the body of this report and on the detailed terms set out in an accompanying Part 2 report for approval elsewhere on the agenda.

- 1 Approve the disposal of the subject site in accordance with the approval granted when this matter was reported on the 22<sup>nd</sup> November 2021, but now incorporating the amended terms and conditions as detailed in the accompanying Part 2 report. The Council will still receive 47.06% of the sale proceeds as previously reported.
  - 2 Approve that the Council enter into the required legal agreements in relation to this matter as set out within the Part 2 report.
  - 3 Authorise the Shared Legal Service to negotiate and prepare all necessary documentation and to take all steps which are required to give effect to the above recommendations.
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**EXECUTIVE SUMMARY:**

On 22<sup>nd</sup> November 2021, a detailed report recommending the sale of this site to Bellway Homes Ltd was approved. The sale was to have completed in early December but didn't.

This accompanying Part 2 reports sets out proposals for the amended terms of sale and the associated legal agreements

The sales price agreed was, and remains, the same representing 47.06% of the sale proceeds.

The accompanying Part 2 report details the conversations that have taken place between Bellway, the Council and Avonfield/Pinewood/MHE over the last week that have resulted in the amended sales proposal that has been negotiated for the Deputy City Mayors consideration.

Other than the amended terms of sale, all other details of the sale, along with the wider background to the sale of this site and associated planning issues, are as set out within the report approved by the City Mayor on the 22<sup>nd</sup> November 2021.

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## BACKGROUND DOCUMENTS: Report's to City Mayor November 2021, May 2020, and March 2018 (Part 2 Items)

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**KEY DECISION:** Yes: Disposal of an asset for over £350,000. The consideration of this report at a special meeting of the Property and Regeneration Lead Member has been approved by the relevant scrutiny committee chair.

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### 1.0 Background

- 1.1 The site of Brackley Golf Course was let to MHE for a term of 250 years from 6<sup>th</sup> November 2006. Pursuant to the terms of the lease, the tenant advised that the site was no longer viable as a golf course.
- 1.2 Plan 1 shows the area of land to be sold that formed the Golf course leased area plus a small area of directly adjacent land that was identified by Bellway as part of their due diligence that will be included within the sale.
- 1.3 On the 16 May 2018 MHE assigned the Lease to Avonfield, a company controlled / owned by the same directors as MHE.
- 1.4 In March 2018, the City Mayor gave approval for a Collaboration Agreement to be entered into between the Council, MHE, Avonfield and Pinebrook (another company controlled / owned by the same directors as MHE / Avonfield), in respect of the golf course leased area and also adjacent land and property owned by the relevant parties as follows:
  - a) Areas shown on Plan 2 as owned by or intended to be owned by Pinebrook following completion of Land Registry applications, and
  - b) Area(s) shown on Plan 3 as owned by the Council.

The acquisition, by Pinebrook of the properties shown on Plan 2 provided enhanced access to the golf course site and, as a result, significantly improved its value.

The two Council property interests shown on Plan 3 are outside the golf course lease boundary but form part of the consented scheme and are to be included within the sale.

- 1.5 The Collaboration Agreement was completed on 23<sup>rd</sup> March 2018.
- 1.6 The Collaboration Agreement envisaged that MHE/Avonfield/Pinebrook would submit an application for outline planning permission for the lands in advance of the land being marketed for residential development and sets out how the proceeds of sale would be shared between the parties.

## **2.0 Information**

### **2.1 Planning situation**

Outline planning consent was subsequently granted for 677 units on 28<sup>th</sup> March 2019.

The units are a mix of 2/3 and 4 bed properties with all but 81 being houses. The scheme is shown at Appendix 1.

As the scheme has been given Outline consent, there are a number of planning conditions that will need to be addressed prior to a start on site being made.

The planning consent does not require Affordable Housing to be provided as there was no policy requirement for such provision at the date the application was considered and determined. This however would be reviewed if the selected developer were to seek to significantly modify the outline consent given that the policy requirement is now 20%

As previously reported Bellway now propose a scheme of 690 units comprising a mix of 2/3 and 4-bedroom houses and 36 apartments

- 2.2 Whilst no on-site education provision was required as part of the planning consent, a substantial section 106 contribution of around £4.5 Million was envisaged covering both Education and other policy requirements.

As previously reported Bellway have agreed to pay a commuted sum of £5.731Million in relation to the development.

### **2.3 Social Value**

This remains as per the November 22<sup>nd</sup> report with further details provided at Appendix 2

## **2.4 Affordable Housing**

The outline planning consent granted for this scheme did not require the provision of affordable housing as there was no policy requirement to do so at the time of the application.

This remains as per the November 22<sup>nd</sup> report, but the Council now has the benefit to acquire a number of properties within the scheme under the amended terms of sale.

- 2.5 Under the Collaboration Agreement, the Council can seek to secure a greater level of Affordable Housing to that within the outline consent, but the Council would be responsible for the costs of such provision.

## **2.6 Terms of Sale**

The terms of sale have not changed from the detail outlined in the 22<sup>nd</sup> November Part 2 report (save for the amended sale terms as detailed in the accompanying Part 2 report)

- 2.7 The Collaboration Agreement sets out the broad details of the disposal arrangements, subject to the variation as to the split of the sale proceeds and disposal of the freehold rather than a long-term development lease with the specific Heads of Terms for the proposed sale reflected in the sales agreement.
- 2.8 In order to prevent land banking and to secure delivery of the development the Sale Agreement will include a call option in favour of the Council entitling the Council to buy back the property from the purchaser if they fail to carry out and complete key stages of the Proposed Development by specified key stage target dates.

The detailed terms of the “buy back” option and the specifics of the key stages are set out within the sales agreement.

In accordance with other similar sales agreements, the purchaser will be obligated to pass on the Freehold interest to individual house purchasers, or in respect of disposals of any apartments, without any onerous covenants or conditions.

## **3.0 Amended terms of sale**

- 3.1 This is detailed within the accompanying Part 2 report.

## **4.0 Conclusions.**

- 4.1 The reasons for the amended terms of sale and details of the proposed new terms of sale are as set out within the accompanying Part 2 report. Subject to approval of the amended terms, it is intended to complete the sale in the week commencing 20<sup>th</sup> December 2021 on the assumption that all legal formalities can be concluded and that the necessary approvals can be obtained by that point.
- 4.2 The Councils share of the receipt remains as previously reported and will represent the largest capital receipt the Council has ever received. The development of the site represents a significant opportunity to enhance housing provision and tenure within this part of the City and provides a number of social value and employment opportunities that the Council will seek to maximise.
- 4.3 In respect of the completed scheme future council tax income of circa £1.1 Million p.a is forecast alongside a New Homes Bonus of circa £4.5Million based on the 677 unit scheme which has outline consent.
- 4.4 The current asset value for the former golf course, Bulloughs Farm and the open space land to be included within the sale is £73,501 with the existing use market value assessed as £93,250.

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#### KEY COUNCIL POLICIES:

- Great Eight Priorities: Housing
- Great Eight Priorities: Economic Development
- 2025 Salford = A Modern Global City
- Regeneration
- Housing Strategy

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#### EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:

There are no equality impact issues arising and directly as a consequence of this report

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ASSESSMENT OF RISK: Low

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#### LEGAL IMPLICATIONS Supplied by Deborah Scott/Rebecca Maddison

This will be covered in the Part 2 report

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## **FINANCIAL IMPLICATIONS Supplied by: Joanne Hardman**

This will be covered in the Part 2 report

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## **PROCUREMENT IMPLICATIONS Supplied by Anthony Hilton**

There are no procurement implications with the proposals included within the report

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## **HR IMPLICATIONS Supplied by:**

There are no HR implications arising from this proposal.

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## **CLIMATE CHANGE IMPLICATIONS Supplied by: Michael Hemingway**

Bellway Homes are working with Salford University at Energy House 2.0 to test how low carbon heating technologies will work in combination with building fabric, efficient services, and renewable energy generation in real world scenarios. This learning will impact on housing designs used on this site. Bellway aim to employ local work force and labour on the site, where possible reducing the carbon associated with commuter mileage. They will provide training through induction and toolbox talks for the implementation of our sustainability Policy. Similarly they communicate with their supply chain on environmental issues and encourage them to consider the environmental impacts.

Bellway aim to protect eco-systems and local habitats through a range of measures. These include sensitive construction methods, site investigations prior to the commencement of works and education of our workforce. Where possible they will seek to either maintain or enhance the local ecology and biodiversity of the development through mitigation and offsetting activity. In this case

- Where ground conditions permit the drainage strategy will include SUD's.
- They will be providing bird nesting and bat roosting provision within the site.
- They will provide an enhanced biodiversity corridor along the northern boundary.
- Wetland habitats will be introduced.
- They will provide new trees and shrub planting within the site.

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## **OTHER DIRECTORATES CONSULTED:**

People Directorate with regard to school basic need implications

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**Local Member Views:** Local members were consulted in relation to the proposals and their views and comments reflected in the work that has been undertaken in bringing the site forward

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**WARDS TO WHICH REPORT RELATES:**

Little Hulton