

## **SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Cabinet **DATE:** 18<sup>th</sup> November 2013

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**WARD(S):** Upton

**PORTFOLIO:** Neighbourhoods and Renewal

### **PART I** **KEY DECISION**

#### **TRANSACTIONS RELATING TO THE CASTLEVIEW SITE**

##### **1 Purpose of Report**

The purposes of this report are to:

- 1.1. Inform Cabinet of transactions relating to the Castleview site made since the Cabinet meeting of 7<sup>th</sup> August 2012.  
and
- 1.2 To seek Cabinet's approval for the proposal that funds from General Fund capital be used to pay the purchase price for the land shown edged blue on the plan at Appendix C.
- 1.3 The purchase price for this land is not yet in the public domain and is commercially sensitive. The amount will be reported in Part II of the Agenda.

##### **2 Recommendations**

The Cabinet is requested to resolve:

- (a) That the transactions specified in Paragraph 1.1 of the report be noted, and
- (b) That funds from General Fund capital be used to pay for the acquisition of the land shown edged blue on the plan at Appendix C.

##### **3. The Slough Joint Wellbeing Strategy, the JSNA and the Corporate Plan**

**The JSNA priorities of particular relevance are:**

- Improve the quality and availability of housing and environment in Slough;
- Increasing skills and employment opportunities;

#### 4 Other Implications

(a) Financial - the Council has the liability to pay, probably within a year's time for the land shown edged blue on the Plan at Appendix C.

(b) Risk Management

<b>Risk</b>	<b>Mitigating action</b>	<b>Opportunities</b>
Legal	As identified in this Report	As identified in this Report
Property	As identified in this Report	As identified in this Report.
Human Rights	None	N/A
Health and Safety	None	N/A
Employment Issues	As identified Above	As identified Above
Equalities Issues	None	N/A
Community Support	Not applicable	Not applicable
Communications	Confidentiality is essential with regard to the sum of one transaction	Sum to be reported in Part II
Community Safety	N/A	N/A
Financial	As identified in this Report	As Identified in this Report
Timetable for delivery	As identified in this report	As identified in this Report
Project Capacity	N/A	N/A
Other	N/A	N/A

(c) Human Rights Act and Other Legal Implications

There are no implications in this regard.

(d) Equalities Impact Assessment

There are no implications in this regard.

(e) Workforce

There are no implications in this regard.

#### 5. Supporting Information

- 5.1 At the Cabinet meeting of 7 August 2012 it was agreed that the Council should conclude a series of transactions relating to land adjoining and within the Castleview housing site. These transactions were dependant upon the outcome of Bellway Homes Limited's negotiations to purchase the housing site and followed a strict sequence and timetable of steps and have now been completed as follows.
- 5.2 The acquisition of land for a new housing development shown edged red on the plan at Appendix A to this Report was completed by Bellway Homes Limited on 12 September 2013.
- 5.3 The Council completed a lease for a term of 999 years to Bellway Homes Limited of the "Access Land" shown edged red on the plan at Appendix B to this Report on 12

September. The lease generated a capital receipt to the Council of £5,100,000. Under the lease Bellway Homes is also obliged at its own cost to construct an access road to adoptable standards on the Access Land, to dedicate this as public highway and also to carry out other works of improvement to the Council's adjoining land.

- 5.4 Also on 12 September the Council entered into an Option Agreement with Bellway Homes giving the Council the Option to "buy back" the Access Land for the sum of £1.00, within 5 years of the adoption as a public highway of the access road, subject to the obligation to grant rights of way over such access road to Bellway Homes Limited and to W.J. Barker and others.
- 5.5 Also on 12 September the Council entered into an Option Agreement with Bellway Homes to acquire the land shown edged blue on the Plan at Appendix C, being part of the land acquired by Bellway Homes on the same day. The Council then had 28 days to exercise the Option, i.e. before the next scheduled Cabinet meeting.
- 5.6 Notice to exercise the Option was served on Bellway Homes on 9 October, via the exercise by the Chief Executive of delegated powers, after consultation with the Leaders of the Council and the Opposition. The transfer to the Council of legal title to the land was completed on 23 October 2013.
- 5.7 Under the Option Agreement the Council is obliged to make a payment to Bellway Homes, the amount of which is commercially sensitive. Such payment is not due until Bellway Homes have practically completed the construction of the 50<sup>th</sup> residential unit on its adjoining land or until 30 April 2015 whichever is the earlier. Bellway Homes expects that practical completion of the 50<sup>th</sup> unit will be achieved by about this time next year.
- 5.8 Under the Option Agreement Bellway Homes is obliged to construct, at its own cost, an access road on its adjoining land in the position shown coloured brown on the Plan at Appendix C leading to the land acquired by the Council, to base course level by 12 April 2014 and to construct utility services to that land. In default, the Council is permitted to do these works and set-off any costs against the sum due to Bellway Homes for the land.
- 5.9 The terms upon which the Council has been able to acquire the land shown edged blue on the Plan at Appendix C give the Council scope to use this land for any purposes other than those which may constitute a nuisance, annoyance, disturbance or cause damage to the owners of the adjoining housing site. Consequently the purchase will be funded from General Fund capital.
- 5.10 In addition to the benefits secured through these transactions the Council has also secured a s160 to improve the operation of the A4/Upton Court Road junction. This must be completed before any dwellings are occupied.

## **6. Comments of Other Committees**

Cabinet of 7<sup>th</sup> August 2012

## **7. Conclusion**

The Council has secured a capital receipt of £5,100,000 for the grant of the Lease to Bellway Homes of the Access Land upon terms which oblige Bellway Homes Limited to construct an access road to adoptable standards, to dedicate such road as public highway and to do other works of improvement to the Council's adjoining land at its own cost. The Council has also secured the right to buy back the Access Land for a nominal sum, subject to the obligation to grant rights of way over it. The Council has also secured the title to the Land shown edged blue on the Plan at Appendix C for a payment, the amount of which remains commercially sensitive, together with the benefit of covenants securing the construction of an access road and services to this land at no additional cost. This land can be used for any of the Council's functions. All of this enhances the Council duties of Best Value.

### **Appendices Attached**

Appendix A – Plan showing land acquired by Bellway Homes Limited

Appendix B – Plan showing site of "Access Land" leased to Bellway Homes Limited

Appendix C – Plan Showing "Option Land" acquired by the Council

### **Background Papers**

Report to Cabinet of 7 August 2012.