

---

**A separate report is submitted in the private part of the agenda in respect of this item, as it contains details of financial information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972. The grounds for privacy are that it refers to the identity, financial and business affairs of an organisation and the amount of expenditure proposed to be incurred by the Council under a particular contract for the supply of goods or services.**

Cabinet

26<sup>th</sup> November 2015

**Name of Cabinet Member:**

Cabinet Member for Business, Enterprise and Employment –Councillor Maton

**Director Approving Submission of the report:**

Director of Place

**Ward(s) affected:**

Henley

**Title:**

The Freehold Disposal of land at Elms Field Farm and Surrender of Leasehold Interest.

---

**Is this a key decision?**

Yes – as the proposals within the report have financial implications in excess of £1m

---

**Executive Summary:**

Land at Elms Field Farm, Wigston Road, Coventry has been identified as a potential housing site in the Strategic Housing Land Assessment (SHLAA) and part previously in the Coventry Development Plan 2001. It extends to approximately 9 acres and could, subject to planning consent being granted provide up to 150 new homes.

Approximately 5 acres of the site is currently leased to a tenant farmer on a long lease for 99 years with effect from 1972. This lease has 56 years left to run.

For the Council to successfully bring forward this development site for housing, a surrender of the Lease from the tenant must be negotiated and agreed together with the termination of the short term grazing tenancy of adjoining land also held by the tenant.

If the Council is unable to reach an agreement with the tenant in respect of the land subject to the Lease then this would result in the land shown coloured blue on the plan annexed hereto being “landlocked” and the Council unable to deal with access issues to this land. This land is an allocated housing site in the Coventry Development Plan 2001.

A surrender premium has been agreed between the Council and the tenant for the surrender of the Lease and this has been confirmed as representing open market value by external Chartered Surveyors appointed to advise the Council and the Council's valuation panel. Completion of the surrender of the Lease and payment of the agreed surrender premium will be subject to the Council disposing of the freehold interest of the development site with planning permission by an agreed long stop date of 31<sup>st</sup> March 2017

It is therefore recommended that the Council enters into a conditional surrender agreement with the tenant and prepares and submits an Outline Planning Application for residential development.

**Recommendations:**

Cabinet are requested to:-

- (1) Authorise the Council to enter into an agreement for surrender with the tenant in respect of the Lease and subject to the successful freehold disposal of the development site to complete a deed of surrender and pay the agreed surrender premium.
- (2) Approve the preparation and submission of an outline planning application for residential development of the land at Elms Field Farm, Wigston Road.
- (3) Approve the marketing and disposal of the site by tender
- (4) Delegate authority to the Executive Director of Place in consultation with the Cabinet Member for Business, Enterprise & Employment, for any subsequent variation in terms.
- (5) Delegated authority to the Executive Director of Resources to prepare and complete the necessary documentation to facilitate the agreement for surrender and the freehold sale.

**List of Appendices included:**

Appendix 1 –Site Plan

**Other useful background papers:**

None

**Has it been or will it be considered by Scrutiny?**

No

**Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?**

No

**Will this report go to Council?**

No

## **1. Context (or background)**

- 1.1 The land and buildings at Elms Field Farm edged red on the attached plan comprising of approximately 5 acres is held by the tenant under the terms of a 99year Lease granted in 1972.
- 1.2 The land edged blue and green of approximately 28acres is also let to the tenant on a separate short term grazing tenancy which is let on a rolling two year period.
- 1.3 The land outlined in blue amounting to approximately 4 acres is allocated for residential development in policy H8 of the Coventry Development Plan 2001.
- 1.4 The Draft Strategic Housing Land Availability Assessment 2014 identified the land outlined in red, also under the tenant's long lease, as a potentially suitable and viable development site for residential and complimentary to the adjoining allocation outlined in blue. With the additional allocation, the tenant expressed a willingness to surrender the interest held under the Lease to the Council.
- 1.5 The Council cannot bring forward either of the parcels of land (shown edged red and blue respectively on the plan) for disposal for residential development without the agreement of the tenant. Godfrey Payton Chartered Surveyors were instructed to value the tenant's interest including the potential ransom element.
- 1.6 Following negotiations with the tenant's agent, a figure was agreed for the surrender of the Lease.
- 1.7 The surrender premium has been validated by external Chartered Surveyors Godfrey Payton as representing open market value.
- 1.8 An outline planning application is required to establish the principle and density of development on the site. If recommendation 2 is approved, the expectation is to submit a planning application in the spring of 2016.
- 1.9 If approval is granted the land will be marketed in the financial year 16/17. The surrender fee payable to the tenant will only be paid after exchange of contracts for the Councils freehold disposal of the site and immediately prior to the completion of the sale.

## **2. Options considered and recommended proposal**

### **Approve the surrender to release Elms Fields Farm for Development**

- 2.1 If the surrender premium is approved the Council has the opportunity to release the land for future housing therefore contributing to the on-going growth of the City. In addition, the Council could potentially receive a capital receipt to support corporate resources.
- 2.2 **Not to Proceed** – If approval is not forthcoming the Council will lose the opportunity to secure the land for future development and a possible capital receipt.

- 2.3 It is therefore recommended that the Council approves the conditional surrender of the Lease with the tenant, submits the outline planning application and brings forward the site for marketing and disposal.

### **3. Results of consultation undertaken**

- 3.1 Part of the site has already been identified as a "Principal Housing Site" in the Coventry Development Plan 2001. The remainder of the site, is clearly defined in the Coventry Strategic Housing Land Availability Assessment 2014 as "Elms Farm Extension" and again this is already in the public domain.
- 3.2 As part of any future planning application for the land, adjoining occupiers/neighbours will be consulted by the Council and they will have the opportunity to make representations via the planning process.

### **4. Timetable for implementing this decision**

- 4.1 Providing Cabinet approval is secured, the documentation for the conditional agreement for surrender will be drafted and agreed with the tenants legal representatives.
- 4.2 It is anticipated that an outline planning application will be submitted in spring 2016 with the land marketed for disposal in the next financial year with an expectation that the capital receipt will be received that financial year.

### **5. Comments from Executive Director of Resources**

- 5.1 Financial implications  
The Strategic Property Review has identified this asset for disposal as a way to help achieve the saving target therefore the net receipt from the sale of the farm would be used to pay off existing debt to help achieve savings.

There may be a maintenance liability with the short term grazing tenancy being surrendered as this land could revert back to the Council. On-going maintenance of this land could be funded from the capital receipt received.

- 5.2 Legal implications  
The Council is under an obligation to obtain best consideration for land and property disposal transactions in accordance with the requirements set out in Section 123 of the Local Government Act 1972. The surrender premium has been validated by external Chartered Surveyors Godfrey Payton as representing open market value and also verified by the Council's valuation panel.

Officers with Resources Directorate (Legal Services) will prepare and complete an Agreement for Surrender conditional upon the freehold sale of the site and will complete the documentation with the tenant. Immediately prior to the freehold sale being completed the Council will complete the surrender of the Lease and will pay the surrender premium to the tenant.

Officers within Resources Directorate (Legal Services) will also prepare and complete the necessary documentation in respect of the freehold sale.

### **6. Other implications**

*Any other specific implications*

### **6.1 How will this contribute to the Council's priorities?**

- The delivery of circa 150 new homes will help support the growth of the City and ensure that a choice of housing will be delivered to meet the needs of local people. 25% of the dwellings will be allocated as 'affordable housing'. As the Land is an allocated housing site, the new homes will be well integrated into existing communities & infrastructure.
- The net capital receipt will contribute towards corporate resources in this financial year.

### **6.2 How is risk being managed?**

The risks have been identified earlier in the report.

### **6.3 What is the impact on the organisation?**

Officer time in the Resources Directorate will be allocated to deal with the preparation of the surrender document and the preparation and completion of the sales document.

### **6.4 Equalities / EIA**

An equality impact assessment has not been undertaken by officers as the proposal set out in this report related to the granting of or the creation of a legal interest in the land and does not constitute a change in service delivery policy or the exercise of a public function.

### **6.5 Implications for (or impact on) the environment**

The subsequent impact on the environment through the redevelopment of the site for housing will be in accordance with the Councils planning policies for sustainable development.

### **6.6 Implications for partner organisations?**

There are no partner implications.

**Report author(s):**

**Name and job title: James Grant, Senior Surveyor**

**Directorate: Place**

**Tel and email contact: 024 7683 [3674/James.Grant@Coventry.Gov.Uk](mailto:3674/James.Grant@Coventry.Gov.Uk)**

Enquiries should be directed to the above person.

<b>Contributor/approver name</b>	<b>Title</b>	<b>Directorate or organisation</b>	<b>Date doc sent out</b>	<b>Date response received or approved</b>
<b>Contributors:</b>				
Richard Moon	Senior Development Executive	Place	12.10.2015	12.10.2015
Nigel Clews	Assistant Director Property Asset Management	Place	16.10.2015	21.10.2015
Mark Andrews	Planning Policy Manager	Place	21.10.2015	21.10.2015
Lara Knight	Governance Services Co-ordinator	Resources	16.10.2015	20.10.2015
Other members				
<b>Names of approvers for submission: (officers and members)</b>				
Finance: Mark Williams	Lead Account	Finance & legal	16.10.2015	19.10.2015
Legal: Julie Sprayson	Property Lawyer	Finance & legal	15.10.2015	15.10.2015
Director: Name				
Members: Name				

This report is published on the council's website:  
[www.coventry.gov.uk/meetings](http://www.coventry.gov.uk/meetings)

## **Appendices**