

Wards Affected:

Olney

ITEM 13

CABINET

7 FEBRUARY 2017

DISPOSAL OF LAND OFF A509 NEAR NEWPORT PAGNELL

Responsible Cabinet Member: Councillor Marland (Leader of the Council)

Councillor Middleton (Cabinet member for Resources and Innovation)

Report Sponsor: Duncan Sharkey (Corporate Director - Place)

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Executive Summary:

To give approval to grant Milton Keynes Dons Ltd (Milton Keynes Dons Football Club) an option to purchase the freehold interest of up to 96 acres (39 ha) of Council land in Newport Pagnell adjoining the A509 for use as an international standard training facility to support Milton Keynes Dons Football Club. The disposal will be for Best Consideration in accordance with s.123 of the Local Government Act 1972.

Using a major site for this purpose is supported by the adopted Core Strategy July 2013 which provides for the Council to develop Milton Keynes into an International Sporting City. The International Sports City Report January 2011 also supports this aspiration and was adopted by Cabinet on 20 December 2011.

1. Recommendation(s)

1.1 That the disposal of the freehold interest in 96 acres of land in Newport Pagnell adjoining the A509 (edged red on the plan at **Annex A**) to Milton Keynes Dons Ltd be agreed for use as an international standard training facility to support Milton Keynes Dons Football Club with complimentary ancillary uses.

1.2 That disposal of the land be by the Council granting Milton Keynes Dons Ltd an option to purchase the 96 acres in whole or part, subject to planning consent based on the Heads of Terms at **Annex B**.

1.3 That the Interim Head of Property and Facilities Management, in consultation with the Corporate Director Place and the Cabinet member for Resources and Innovation, be authorised to agree variations to the terms of disposal outlined in this report as reasonably necessary to secure the Council's objectives of disposing of the land so as to facilitate the development of the training facility for Milton Keynes Dons Ltd.

2. Issues

2.1 Milton Keynes Dons Football Club have approached the Council to request an option agreement which will enable them to purchase on receipt of planning

consent up to 96 acres (39 ha) of countryside which they will develop into a training base for the Milton Keynes Dons Football Club.

- 2.2 The Heads of Terms for the disposal provide for the Council to receive best consideration for the value of the land as required by s.123 of the Local Government Act (LGA) 1972. The land can be purchased in whole or part within the life of the option agreement which is 5 years. The use of the land is to be subject to a formal restriction limiting its use to training pitches and training academy facilities only. Should Milton Keynes Dons Football Club subsequently change the use of the land for a more valuable use, the Council is protected by a clawback provision which will enable the Council to receive full payment for any resulting increase in land value, as determined by an independent valuation in accordance with s.123 of the LGA 1972.
- 2.3 The adopted Core Strategy July 2013 highlights the ambition to develop the International Sporting City (ISC) concept in Milton Keynes as set out in Objective 14. That objective lists one of the actions as the need to prioritise developing key ISC facilities. This disposal will assist in facilitating Objective 14.
- 2.4 The ISC is focussed on major sites and facilities with links to community sports facilities to support high level, elite sport and major events. The intention is that it would manifest in existing, enhanced and new facilities in venues across the Borough. The land in question for disposal is a major site which if planning consent is forthcoming for the training facility will support the activities of Milton Keynes Dons in holding high level, elite sport and major events in the Borough.
- 2.5 The Core Strategy set one of the targets to achieving Objective 14 as early delivery of a team training base by 2013/14. This disposal will facilitate development of a team training base assuming planning consent is granted.
- 2.6 A key cornerstone of the ISC proposal is to develop a football team training base in Milton Keynes. This would be to support teams when playing international matches at the Stadium:MK and also be the Milton Keynes Dons Football Club training base. It goes on to say that with the Milton Keynes Dons Football Club managing, using and preferably owning the facility there would be a more financially viable and sustainable long-term future for it and a sponsor with experience, ability and drive to be able to deliver this facility.
- 2.7 The ISC Report considered some sites for the training base however none of which have materialised. Using the land adjoining the A509 will meet the aspirations of the ISC proposal if planning consent is forthcoming and the training base is developed and managed by Milton Keynes Dons Football Club
- 2.8 The ISC Report considered the land requirement for the training base to be 15 ha although the land in question is somewhat larger at 39 ha. The Report states the venue needs to not only cater for the Milton Keynes Dons Football Club day to day training requirements but also have the flexibility to enable it to host visiting professional/international teams and matches from other sports such as rugby and American football. Milton Keynes Dons Football Club have indicated 39 ha is needed to accommodate the requirements of a training base.
- 2.9 The adopted Core Strategy confirms the ISC Report is a material consideration in planning terms The site sits outside of any current

development plan and is not covered in the recent Newport Pagnell Neighbourhood Plan. At present there is little potential for large scale development in this location.

- 2.10 Working with partners to ensure Milton Keynes becomes a premier European Destination City is a key priority of the Council Plan 2016 - 2020. A decision to dispose of the land for a new training facility for MK Dons will support this priority.
- 2.11 The land is currently let on a farm business tenancy from 18 August 2009 to 28 September 2018 at a current rent of £43,100 p.a. The tenancy allows the Council to end the tenancy and obtain possession of the land subject to payment of compensation to the tenant which is to be paid by Milton Keynes Dons Football Club as part of the purchase.
- 2.12 Newport Pagnell Town Council and the local Council Ward members have been consulted in advance of the publication of this report and the farm tenant has been advised.

3. **Options**

3.1 There are two options:

- (a) Not to Dispose. This option would not deliver the ISC concept, nor the aspiration set out in the Council Plan to become a premier European Destination City, and is therefore not recommended.
- (b) To grant Milton Keynes Dons Football Club the option to purchase the land on the terms set out in this report. This option is recommended as it will achieve the Council's aspirations and is supported by policy.

4. **Implications**

4.1 Policy

The disposal is supported by Council policy namely the adopted Core Strategy July 2013, the ISC report January 2011 which was adopted by Cabinet and the Council Plan 2016- 2020.

4.2 Resources and Risk

The use of the land as a training base requires planning consent which if not forthcoming will mean the delivery of the training base for Milton Keynes Dons Football Club will not happen.

The disposal is by way of option agreement and there is a risk this is not exercised by Milton Keynes Dons Football Club which also means the training base will not be developed.

The value of the land will be independently assessed to ensure the Council has complied with s.123 of the Local Government Act 1972 in making a lawful disposal for Best Consideration for the whole or part(s). The receipt for the whole is likely to be in the region of plus c£0.675m. Any increase in value of the land after disposal will be captured by the inclusion of a 100% clawback provision in the disposal contract.

This proposal will result in a reduction in income of £0.043m pa which will need to be addressed in the budget for 2018/19 once the option is exercised.

The MK Dons are a core part of the City 'offer' and are a driver of economic spend and investment. Enabling this training facility will support both performance and economic impact.

Y	Capital	N	Revenue	N	Accommodation
N	IT	Y	Medium Term Plan	Y	Asset Management

4.3 Carbon and Energy Management

There are no known carbon and energy management implications associated with the proposed disposal.

4.4 Legal

The Council is required under section 123 of the Local Government Act 1972 to dispose of its estate or interest in any land, for not less than the best price reasonably obtainable, Best Consideration.

It is recommended if the land is unregistered an application is made to the Land Registry to register the land before a disposal although this is not a requirement.

If the land is registered it is recommended a title check is made to ascertain if there are any covenants or restrictions to the disposal and or proposed use of the land. If there are such covenants or restrictions and it is not possible for these to be easily removed it is usual to overcome this by title indemnity insurance.

4.5 Other Implications

N	Equalities/Diversity	N	Sustainability	N	Human Rights
N	E-Government	Y	Stakeholders	N	Crime and Disorder

Background Papers: None

Annex A Plan of Area

Annex B Draft Heads of Terms for the Grant of Option