

Delegated Decision report



1 December 2020

DISPOSAL OF LAND AT TICKFORD FIELDS FARM

Name of Cabinet Member	Councillor Robert Middleton (Cabinet member for Resources)
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Exempt / confidential / not for publication	Yes
Council Plan Priority reference	55
Wards affected	Newport Pagnell South Ward

Executive Summary

Tickford Fields Farm is a c. 45 ha development site in Newport Pagnell. The site is allocated in the Newport Pagnell Neighbourhood Plan for Residential development and is in the freehold ownership of the Council. Planning permission was recently (September 2020) granted in outline for up to 930 dwellings along with associated uses (local centre, school, health and wellbeing centre, etc.).

In anticipation of the implementation phase, a development partner is sought to deliver the Council's vision for the site - a sustainable and mixed community comprising both affordable and housing, with placemaking and sustainability as key considerations. This report seeks approval to market Tickford Fields Farm on that basis and as set out below.

1. Decisions to be Made

- 1.1 That the appointed selling agents are instructed to market for sale, in a manner compliant with Public Contracts Regulations 2015, the freehold interest in Tickford Fields Farm (edged red on the plan at **Annex A** to the report).
- 1.2 That the marketing of Tickford Fields Farm does not oblige the Council to accept any of the offers it may receive.
- 1.3 That consideration of the offers and selection of the preferred development partner be undertaken by the Director - Environment and Property and the Director - Finance and Resources, in consultation with the Cabinet member for Resources, together with professional advisers to include account of s.123 of the Local Government Act 1972 and State Aid.
- 1.4 That an additional decision be scheduled for a future date to allow the Council to approve the awarding of a contract to the preferred development partner. This decision will take place after the marketing period, likely to be in the early part of next year.

2. Why is the Decision Needed?

- 2.1 Milton Keynes Council (MKC) are the freehold landowner of Tickford Fields Farm (TFF), a c. 45 ha development site in Newport Pagnell, Milton Keynes.
- 2.2 The site is allocated in the Newport Pagnell Neighbourhood Plan for residential development and planning permission has recently been obtained in outline for c. 930 dwellings along with associated uses (local centre, school etc.). For reference a Masterplan is attached at **Annex B** to the report.
- 2.3 In keeping with the application, the site will deliver a Primary School and a local centre. Additionally, there is the aspiration to deliver an integrated health and wellbeing, sports and community facility. As well as the delivery of ancillary development including equipped children's play areas, sports ground, green amenity space and attenuation areas etc.
- 2.4 The benefits and risks of different disposal options have been considered and the risk outweighs reward in terms of MKC acting as master developer and that the preferred option is to dispose of the site by way of grant of building lease / licence and then transfer of the freehold, to a development partner. This enables MKC to have oversight and control of its objectives as the project progresses.
- 2.5 In anticipation of delivering this MKC appointed CBRE, a property Consultant / Agent through competitive tender, to advise the Council on a disposal brief and affect the delivery of this site.
- 2.6 CBRE will market the property as set out below on behalf of MKC.

3. Key Components of the Disposal

3.1 The Council's aspirations for the site include placemaking, energy solutions and the provision of housing units to be retained (owned) by MKC, the ultimate disposal brief will have regard to these requirements.

3.2 More specifically the brief will seek the following from the selected development partner:

- (a) Housing Delivery – contractual obligations to deliver a minimum of 100 units per annum, but with an expectation for quicker pace (from 2021/22 and subject to force majeure) – in line with the expectations of Plan:MK.
- (b) Innovative Construction Techniques – the Council will be seeking to encourage innovation and the selected partner will be required to provide an element of the site through innovative construction techniques e.g. modular housing.
- (c) Sustainability - in line with the Council's Sustainability Strategy 2019/2050, the aspiration is for the final scheme to be as sustainable as possible. However, carbon neutrality across the entire site is likely to render the scheme financially unviable, due to increased build costs. Bidders will be asked instead to provide the Affordable Housing as net carbon zero, with the residual market housing rated as EPC B, as a minimum. Partners will also be asked to comply with all elements of Plan:MK in connection with sustainability e.g. waste, water, renewable energy generation, as well as incoming changes to Building Regulations Part L and F.
- (d) Urban Design - bidders will be asked to submit example layouts, street scenes, house types as part of their bid pack, as well as produce a design code for the scheme (using their resources/expertise/experience) for the Council to approve. The Council will also have a right to approve all reserved matters applications before submission.
- (e) Place Stewardship - the selected partner will be required to transfer ownership of the scheme's adopted highways, open/green spaces and community facilities to the Council, along with a commuted sum to cover the cost of maintenance.
- (f) Retain Ownership of Housing - in seeking bids the Council will request the ability to retain the affordable housing provision (31% of units) and the option to retain further units and hold as a rented offer (up to an additional 19% of units), either in lieu of a capital receipt or through additional funding.

- 3.3 Bids will be sought on several bases, including an unencumbered redline disposal to provide a baseline, as well as bids giving the option of retaining housing which could be in lieu of a capital receipt, as above.
- 3.4 Please note an additional decision will be scheduled for a future date to allow the Council to approve the appointment of the preferred development partner. This decision will take place after the marketing period, likely to be in the early part of next year.

4. Implications of the Decision

Financial	Y	Human rights, equalities, diversity	N
Legal	Y	Policies or Council Plan	N
Communication	N	Procurement	N
Energy Efficiency	N	Workforce	N

(a) Financial Implications

Following the selection of a development partner and the effective disposal of the site, the Council will receive a capital receipt.

As above, the Council will seek the ability to retain housing units as part of the disposal. These could be provided by a reduced capital receipt or through additional funding.

The structure of the disposal will reflect advice the Council receives on VAT and Stamp Duty Land Tax.

The real implications of this are currently unknown but recommendations regarding this will be the subject of a future decision.

(b) Legal Implications

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.

Section 123 does not specify how the best price reasonably obtainable for land is to be achieved and does not require land to be sold on the open market. However, the site is being marketed openly and on the basis of the Outline Planning Permission. This is recommended as most likely to satisfy Section 123.

The general position is that a pure land disposal is not caught by procurement legislation. However, there is a plethora of case law with regard to arrangements which are caught by procurement law and the transaction has to be looked at as a whole. As the development partner will be expected to deliver in accordance with the planning permission,

outline of which has been obtained, and given the additional conditions to be imposed upon the development partner, including those stated at 3.2 of the report above, in addition to the interest to be retained by the Council during development and passed on to the Council following development, the transaction is not a 'pure land sale' for the purposes of procurement law. The transaction is a works contract and will be caught by Public Contracts Regulations 2015. The proposed marketing of the site therefore needs to be a compliant procurement process in accordance with procurement law relating to works contracts in order not to fall foul.

The disposal also has to comply with part 19 of the Council's financial procedure rules which are council rules for acquisition and disposal of council land.

(c) Other Implications

(i) Policy

Council Plan 2016 - 2020

Plan:MK Mar 2019

MK Sustainability Strategy 2019-2050

Newport Pagnell Neighbourhood Plan 2016

NPPF Feb 2019

(ii) Further implications will be apparent following the procurement exercise and will be considered as part of a future decision.

List of Annexes

Annex A Site Plan

Annex B Masterplan - Outline Planning Permission: September 2020

Background Papers

None.