

EXECUTIVE 19th May 2022

Report Title	Stanton Cross – Sale of Land Delegations
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Lead Member	Councillor Graham Lawman, Executive Member for Highways, Travel & Assets

Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there public sector equality duty implications?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information (whether in appendices or not)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972	

List of Appendices

Appendix A – Sales Plan

1. Purpose of Report

- 1.1 The Stanton Cross development is a joint public and private partnership formed to bring forward approximately 339 hectares of land to deliver residential dwellings, a school, employment land, a Local Community Centre, and a transport interchange together with green space and infrastructure.
- 1.2 Northampton County Council formed part of the partnership, which is documented in a Landowners Agreement, and delegations were established to approve land sales. As successor to the legacy council, North Northamptonshire Council is required to consider delegations to comply with the approval process as documented in the legal contract between the Landowners.
- 1.3 This report asks the Executive to consider the grant of delegations be given to the Executive Member for Highways, Travel & Assets, in consultation with the Assistant Director of Assets & Environment, to authorise all future land sales that form part of this development.

2. Executive Summary

- 2.1 Since the completion of the 2004 Landowner Agreement and Promotion Agreement, (revised in 2015 & 2017) the Promoter, Stanton Cross Developments LLP, has been responsible for the promotion, funding, and preparation for sale of the whole Stanton Cross Development Area. **Appendix A** to this report shows an aerial view of the sales plan.
- 2.2 The Landowners Agreement is a legally binding contract which contains a clear protocol for how all land parcels will be marketed, offers received, considered and how approval is obtained.
- 2.3 The decision whether to approve a sale lies with the Landowners, subject to the completion of due diligence through reports prepared for the benefit of the landowner group, to confirm legal, marketing and best value.
- 2.4 If an offer for residential or commercial open market sales meets the criteria set out in the Landowner and Promotion Agreements, there is a clear obligation contained within the Landowner agreement for all landowners to approve the sale. It is only majority decision that is required to progress.
- 2.5 The Council is now required to confirm to the Landowners the parties that have delegated authority to approve the land sales.

3. Recommendations

- 3.1 It is recommended that Executive:
 - a. Note the ongoing legal obligations on the Council created by the Landowner agreement.
 - b. Delegate authority to the Executive Member for Highways, Travel & Assets, in consultation with the Assistant Director for Assets & Environment, to agree future land sales for the Stanton Cross development site that are covered by the existing Landowner Agreement.
- 3.2 The reasons for the recommendation are:
 - The Council has a legal responsibility to process land sale requests in a timely manner within the conditions of the landowner agreement.
 - The agreement seeks to ensure successful development of Stanton Cross, supporting the growth and prosperity of North Northamptonshire, whilst generating a land receipt for the Council.

3.3 Alternative Options Considered:

- To require each decision to go to the Executive for consideration. Given votes on land sales are majority led, it is likely a decision by the two other landowners will have been determined prior to any report being considered by the Executive.
- The terms of the Landowner agreement are binding, including any minimum land value receipts received, therefore cannot be renegotiated or renegeed on.

4. Report Background

- 4.1 In 2004, Northamptonshire County Council entered into a Landowners Agreement (subsequently varied in 2015 & 2017) created to work together with other landowners to deliver 3750 housing units with associated facilities and infrastructure. By controlling the whole site, the Landowners would be able to work collaboratively to bring sites forward for marketing thus benefiting from sharing the significant costs associated with this development and mitigating uncertainties associated with developments of this scale. There are currently three landowners, including the Council, British Steel Pension Fund and Stanton Cross Developments LLP.
- 4.2 The Landowner Agreement provides a framework for the land sales to be progressed in accordance with an agreed schedule (and mechanisms instilled in the agreement) to ensure the land is sold by way of securing the best consideration.
- 4.3 It is important to note that the Council is required to approve the sales as a 27% shareholder in the landowner agreement, so the land may not be owned by the Council, but the Landowners agreement requires all shareholders to approve the transactions.
- 4.4 Under the terms of the Landowner Agreement, Stanton Cross Developments LLP deliver the strategic infrastructure for the development and the cost of this is held in a “development account” to which interest is applied. Receipts from the profits of the land sales serve to bring down the infrastructure development account costs and reduce interest accruals on those. Once the infrastructure has been paid for, later land sales will result in a capital distribution to the landowners based on their percentage share.
- 4.5 Professional advisors including Gowling WLG, an international law firm and Bowden Consultants, land and development specialists, were appointed to represent the Landowners for legal, planning and valuation matters, with agents appointed to negotiate terms for land sales. The Landowners and their representatives have regular board meetings with representatives from the professional advisors making formal recommendations on which the Landowners vote.
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- 4.6 Northamptonshire County Council also appointed their own professional agents Drake & Partners Property Consultants and legal advisors Pathfinder Legal, who are retained by North Northamptonshire Council. Their role is to ensure that due process is completed in line with the processes documented in the Landowners agreement and to ensure suitable oversight to confirm that public sector land sales comply with the Local Government Act 1972 S123.
- 4.7 The Council will therefore receive recommendations from the Landowners professional advisors, followed by further review and recommendations from their own retained advisors. A typical recommendation will include agents reports, marketing report including information on the tender process and the successful bidder, accompanying this report is a summary of the transactions, an independent valuation and a financial tracker showing the result the land sale will have on the development costs.
- 4.8 All Landowners are required to approve the recommendations, irrespective of whose land is being sold. The recommendation will primarily be for a land sale, but it may also include recommendations on associated transactions for example authorising the removal of restrictive covenants, agreement for infrastructure easements etc., transactions typically associated with major developments.
- 4.9 The Landowners approval process for land sales is contained within the Landowners Agreement. It provides for a 10-working day deadline for recommendations to be considered by advisors and for the landowners to confirm authorisation promptly. Therefore, it is not possible to take each request through the Executive process which is why delegations are being sought.
- 4.10 The Constitution delegates authority to Corporate Leadership Team to authorise disposals to the value of £250,000 (subject to due process and the requirement to achieve best consideration) however many of the land sales for Stanton Cross are more than this sum. As this is a continuing legal agreement the Executive are therefore requested to consider granting delegations to ensure that land sales can continue to be progressed promptly within the constraints of the contractual agreement to deliver the Stanton Cross development.

5. Issues and Choices

- 5.1 The Landowners Agreement is a legally binding contract requiring the Council to authorise a series of transactions subject to the completion of due diligence through the professional advisers. The contractual agreement requires the Council to authorise transactions subject to certain criteria being met, and the timescales of the agreement do not allow each transaction to follow the Executive process for approval.
- 5.2 There is no opportunity in the legal agreement for North Northamptonshire to divest itself of its interest in the Landowners agreement, however the aims and ambitions of the development remain aligned to the Councils Corporate Plan

6. Next Steps

- 6.1 The Council will continue to work with the landowner group for the successful development of Stanton Cross, and ensure appropriate due diligence continues as the land sales progress.

7. Implications (including financial implications)

7.1 Resources, Financial and Transformation

- 7.1.1 The scheme provides for over £200m of infrastructure to be delivered including educational facilities, open spaces, improvements to Wellingborough rail station and new transport links.
- 7.1.2 Originally the Council had 202 acres of land within the Stanton Cross Development, approximately 75 acres have been sold leaving approximately 127 acres of land remaining in the Scheme. Should all of this be sold the Council will receive a minimum existing use land value of £10,000 per acre so there are estimated capital receipts of £1.27m to be received over the next several years.
- 7.1.3 In addition to this each Landowner is entitled to a share in the profits generated from land sales once the development costs including interest have been recovered. The accounts are monitored and audited by a chartered accountancy firm.
- 7.1.4 The professional fees associated with retaining advisors are monitored and may be recovered from the capital receipt subject to CIPFA accountancy rules.

7.2 Legal and Governance

- 7.2.1 The Transition Regulations ensured that by operation of law, North Northamptonshire Council took the place of Northamptonshire County Council and NNC is therefore “standing in the shoes” of NCC in relation to this matter. It is therefore bound by the Landowners Agreement and should comply with the Agreement as relevant.

7.3 Relevant Policies and Plan

- 7.3.1 The development of Stanton Cross links with the Councils Corporate Plan 2021-25, to provide Safe and Thriving Places with the delivery of improved standard of new homes and ensure housing supply meets demand

7.4 Risks

- 7.4.1 An agreement of this nature assumes a degree of risk, but the Council entered into the agreement following a consultation process and appointed professional advisors to ensure risks are mitigated.
- 7.4.2 Professional advisors continue to be retained to act for the Landowners and additionally separate advisors to support and provide advice to the Council. Each recommendation contains a suite of documents which are summarised in the delegated decision to aid transparency, provide governance and reduce risk.

7.5 Consultation

- 7.5.1 As the paper is providing an update on an existing contractual arrangement and confirming delegations the paper has not been subject to a consultation exercise.

7.6 Consideration by Executive Advisory Panel

- 7.6.1 As the paper is providing an update on an existing contractual arrangement and confirming delegations the paper has not been discussed by an Executive Advisory Panel.

7.7 Consideration by Scrutiny

- 7.7.1 This paper may be selected for consideration by Scrutiny.

7.8 Equality Implications

- 7.8.1 An Equality Screening Assessment has not identified any adverse impact on individuals with protected characteristics.

7.9 Climate Impact

- 7.9.1 The Stanton Cross development has outline planning consent and impact on the climate would have been considered as part of the planning process. The new development will result in energy efficient homes and Electric vehicle charging points within the scheme.

7.10 Community Impact

- 7.10.1 The development of Stanton Cross is considered to have a positive impact on the community, a community facility is incorporated within the scheme and the planning process supports the community interests.

7.11 Crime and Disorder Impact

7.11.1 There are no Crime and Disorder issues arising directly from this report.

8. Background Papers

8.1 Further information can be found on the planning portal link:
[Wellingborough East \(Stanton Cross\) | Wider Growth | North
Northamptonshire Council - Wellingborough Area](#)