

You are requested to attend a meeting of the Council to be held in The John Meikle Room, The Deane House, Belvedere Road, Taunton on 26 July 2017 at 18:30.

Agenda

The meeting will be preceded by a Prayer to be offered by the Mayor's Chaplain.

- 1 To report any apologies for absence.
- 2 To receive any communications.
- 3 Declaration of Interests
To receive declarations of Disclosable Pecuniary Interests or personal or prejudicial interests, in accordance with the Code of Conduct, in relation to items on the agenda. Such interests need to be declared even if they have been recorded in the Register of Interests. The personal interests of Councillors who are County Councillors, Town or Parish Councillors will automatically be recorded in the minutes.
- 4 To receive questions from Taunton Deane Electors under Standing Order 15.
- 5 To receive any petitions or deputations under Standing Orders 16 and 17.
- 6 Land at Creedwell Orchard Housing Estate, Milverton. Report of the Asset Manager (attached), to be presented by Councillor John Williams. See also Confidential Appendix 2 at agenda item No. 7.

The following items are likely to be considered after the exclusion of the press and public because of the likelihood that exempt information would otherwise be disclosed relating to the Clause set out below of Schedule 12A of the Local Government Act 1972.

- 7 Confidential Appendix 2 - Land at Creedwell Orchard Housing Estate, Milverton (attached). See also agenda item No. 6. Paragraph 3 - Information relating to financial or business affairs.

07 August 2018

Members of the public are welcome to attend the meeting and listen to the discussions.

There is time set aside at the beginning of most meetings to allow the public to ask questions.

Speaking under “Public Question Time” is limited to 4 minutes per person in an overall period of 15 minutes. The Committee Administrator will keep a close watch on the time and the Chairman will be responsible for ensuring the time permitted does not overrun. The speaker will be allowed to address the Committee once only and will not be allowed to participate further in any debate.

Except at meetings of Full Council, where public participation will be restricted to Public Question Time only, if a member of the public wishes to address the Committee on any matter appearing on the agenda, the Chairman will normally permit this to occur when that item is reached and before the Councillors begin to debate the item.

This is more usual at meetings of the Council’s Planning Committee and details of the “rules” which apply at these meetings can be found in the leaflet “Having Your Say on Planning Applications”. A copy can be obtained free of charge from the Planning Reception Desk at The Deane House or by contacting the telephone number or e-mail address below.

If an item on the agenda is contentious, with a large number of people attending the meeting, a representative should be nominated to present the views of a group.

These arrangements do not apply to exempt (confidential) items on the agenda where any members of the press or public present will be asked to leave the Committee Room.

Full Council, Executive, Committees and Task and Finish Review agendas, reports and minutes are available on our website: www.tauntondeane.gov.uk



The meeting rooms at both the Brittons Ash Community Centre and West Monkton Primary School are on the ground floor and are fully accessible. Toilet facilities, with wheelchair access, are available.

Lift access to the Council Chamber on the first floor of Shire Hall, is available from the main ground floor entrance. Toilet facilities, with wheelchair access, are available through the door to the right hand side of the dais.



An induction loop operates at Shire Hall to enhance sound for anyone wearing a hearing aid or using a transmitter.

For further information about the meeting, please contact Democratic Services on 01823 219736 or email r.bryant@tauntondeane.gov.uk

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Council Members:-

Councillor H Prior-Sankey (Chairman and Mayor of Taunton Deane)
Councillor J Adkins
Councillor M Adkins
Councillor T Aldridge
Councillor T Beale
Councillor P Berry
Councillor J Blatchford
Councillor C Booth
Councillor R Bowrah, BEM
Councillor W Brown
Councillor N Cavill
Councillor S Coles
Councillor W Coombes
Councillor D Cossey
Councillor T Davies
Councillor D Durdan
Councillor K Durdan
Councillor M Edwards
Councillor H Farbahi
Councillor M Floyd
Councillor J Gage
Councillor E Gaines
Councillor A Govier
Councillor A Gunner
Councillor R Habgood
Councillor T Hall
Councillor R Henley
Councillor C Herbert
Councillor C Hill
Councillor M Hill
Councillor J Horsley
Councillor J Hunt
Councillor G James
Councillor R Lees
Councillor S Lees
Councillor L Lisgo, MBE
Councillor D Mansell
Councillor S Martin-Scott
Councillor I Morrell, BA LLB
Councillor S Nicholls
Councillor R Parrish
Councillor J Reed
Councillor R Ryan
Councillor F Smith
Councillor F Smith-Roberts
Councillor V Stock-Williams
Councillor P Stone
Councillor A Sully
Councillor N Townsend

Councillor C Tucker
Councillor J Warmington
Councillor P Watson
Councillor D Webber
Councillor D Wedderkopp
Councillor J Williams - Leader of the Council
Councillor G Wren

Taunton Deane Borough Council

Full Council – 26 July 2017

Land at Creedwell Orchard Housing Estate, Milverton

This matter is the responsibility of Councillor John Williams, Leader of the Council

Report Author : Tim Child, Asset Manager

1 Executive Summary / Purpose of the Report

- 1.1 The Option Agreement with S Notaro Limited (SNL) for the purchase of land at Creedwell Orchard Housing Estate must be triggered by 19 July 2017 or the option falls away. This trigger date has already been extended on a number of occasions at the request of SNL. The option is not expected to be triggered and therefore by the date of this Corporate Scrutiny meeting is expected will no longer exist.
- 1.2 SNL indicated to the Council in late May 2017 that current planning issues with delivering the extant scheme as intended meant that SNL did not wish to exercise the existing option agreement. Under the circumstances this is not an unreasonable decision. An alternative proposal was made to the Council by SNL to acquire the land outright to enable SNL to start developing a smaller number of units under the extant scheme. This proposal was fundamentally different to the option – the Council would receive a smaller sum up-front but with overage built in providing that if all 72 dwellings under the extant permission were constructed the Council would ultimately receive the same as intended under the previous option. Likewise, the same principles applied should SNL build out a new scheme.
- 1.3 The land is currently worth circa £75,000 if we were to ignore that the land provides access to a development site. Whilst disappointing that the option which would have provided circa £1,200,000 is not expected to be exercised, the revised proposal still represents a sound commercial transaction.
- 1.4 Actions have been taken by the Council to mitigate the risk of the option falling away and the Council achieving no capital receipt. A conditional contract is intended to be entered into between the Council and SNL for the outright sale of the Council land needed to access SNL's land. The contract is conditional only on Council supporting this transaction and the receipt if supported will be payable by 31 July 2017.
- 1.5 The capital receipt from the sale and any subsequent overage will be ring fenced for affordable housing as per the previous resolution.

2. Recommendation

2.1 It is **recommended** that the Council sells the freehold interest of its land edged red, cross hatched black to SNL for the sale price together with overage and other provisions as set out in the confidential appendix to this report.

3. Risk Assessment (if appropriate)

Risk Matrix

Description	Likelihood	Impact	Overall
If the sale to SNL does not proceed then the Council will have failed under its obligation to achieve best consideration for its land and property assets by missing out on this proposal presented by a 'special purchaser' able to pay an enhanced land value. The Council would lose a potential capital receipt and it may be possible that ultimately SNL will be able to develop its land using an alternative access.	5	4	20
<i>The mitigations for this are to sell the land to SNL on the terms agreed.</i>	1	1	1

Risk Scoring Matrix

Likelihood	5	Almost Certain	Low (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
	4	Likely	Low (4)	Medium (8)	Medium (12)	High (16)	Very High (20)
	3	Possible	Low (3)	Low (6)	Medium (9)	Medium (12)	High (15)
	2	Unlikely	Low (2)	Low (4)	Low (6)	Medium (8)	Medium (10)
	1	Rare	Low (1)	Low (2)	Low (3)	Low (4)	Low (5)
			1	2	3	4	5
			Negligible	Minor	Moderate	Major	Catastrophic
Impact							

Likelihood of risk occurring	Indicator	Description (chance of occurrence)
1. Very Unlikely	May occur in exceptional circumstances	< 10%
2. Slight	Is unlikely to, but could occur at some time	10 – 25%
3. Feasible	Fairly likely to occur at same time	25 – 50%
4. Likely	Likely to occur within the next 1-2 years, or	50 – 75%

	occurs occasionally	
5. Very Likely	Regular occurrence (daily / weekly / monthly)	> 75%

4. Background and Full details of the Report

- 4.1 An Option Agreement was entered in to with SNL on 27 February 2014 for a period of 10 years following Executive approval given at its meeting on 13 July 2013 in respect of Council owned land at Creedwell Orchard, Milverton. The extent of this land is shown edged in red and cross hatched on the indicative plan, attached at Appendix 1. The land was to be used to provide access to that land shown edged in blue on the attached indicative plan which is owned by SNL and has the benefit of an extant planning permission for 72 dwellings, comprising a mix of houses and bungalows.
- 4.2 The Option Agreement with SNL for the purchase of land at Creedwell Orchard must be triggered by 19 July 2017 or the option falls away. This trigger date has already been extended on a number of occasions at the request of SNL. At the date of writing this report it is anticipated that the option will have not been exercised and will therefore no longer exist.
- 4.3 SNL indicated to the Council in late May 2017 that current planning issues with delivering the extant scheme as intended meant that SNL were not in a position to exercise the existing option agreement. An alternative proposal was made by SNL to acquire the land outright to enable SNL to start developing a smaller number of units under the extant scheme. This proposal was fundamentally different – the Council would receive a smaller sum up-front but with overage built in providing that if all 72 dwellings under the extant permission were constructed the Council would ultimately receive the same as intended under the option. Should less than 72 dwellings under the extant consent be built then the Council would ultimately receive less than it would have under the option.
- 4.4 The land is currently worth circa £75,000 if we were to ignore that the land provides access to a development site. Whilst disappointing that the option is not expected to be exercised it still represents a sound commercial transaction as the sale price, ignoring any overage is significantly greater than the alternative value.
- 4.5 Commercial discussions with SNL took place during June and detailed terms agreed subject to Council approval. On the basis the offer makes sound commercial sense it has been brought to Members for consideration.
- 4.6 It is anticipated that by the date of the Corporate Scrutiny Committee Meeting a conditional contract will have been agreed with SNL for the outright sale of the Council land needed to access SNL's land. The contract will be conditional only on Council supporting this transaction and the sale price will be payable by 31 July 2017. There are no other conditions.
- 4.7 Other than this now being a straightforward sale and at a lesser up front sum but with an overage incorporated, this new transaction does reflect the principal terms set out in the previous option. The principal terms of this proposed sale are set out in the confidential appendix 2.
- 4.8 This matter is to be presented to Corporate Scrutiny Committee on 20 July 2017 and a

verbal update on this will be provided at Special Full Council.

5. Links to Corporate Aims / Priorities

- 5.1 The eventual capital receipt obtained from the sale of the land, together with any subsequent overage, which is to be reinvested in to affordable housing will greatly assist the Council in fulfilling its Corporate Aim of Quality sustainable growth and development

6. Finance / Resource Implications

- 6.1 This will lead to a significant capital receipt and the potential for further sums in the future.

7. Legal Implications

- 7.1 This matter has been dealt with by Davitt Jones Bould Solicitors who had advised on the previous option.

8. Environmental Impact Implications (if any)

- 8.1 None associated with this report.

9. Safeguarding and/or Community Safety Implications (if any)

- 9.1 None associated with this report.

10. Equality and Diversity Implications

- 10.1 None associated with this report.

11. Social Value Implications

- 11.1 None associated with this report.

12 Partnership Implications

- 12.1 None associated with this report.

13. Health and Wellbeing Implications

- 13.1 None associated with this report.

14 Asset Management Implications

- 14.1 This is an Asset Management generated report.

15. Consultation Implications

- 15.1 None associated with this report.

16. Scrutiny Comments (if any)

16.1 To be updated verbally as per paragraph 4.8.

Democratic Path:

- **Scrutiny / Corporate Governance or Audit Committees – Yes**
- **Executive – No**
- **Full Council – Yes – Special Full Council**

Reporting Frequency : **Once only** **Ad-hoc** **Quarterly**
 Twice-yearly **Annually**

Contact Officers

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Appendix 1

