

**Forward Plan reference number:** FP/058/04/21

<b>Report title:</b> Land at Hamberts Farm, South Woodham Ferrers – Residential Development	
<b>Report to:</b> Cabinet	
<b>Report author:</b> Councillor Lesley Wagland – Cabinet Member for Economic Renewal, Infrastructure and Planning	
<b>Date:</b> 29 July 2021	<b>For:</b> Decision
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<b>County Divisions affected:</b> South Woodham Ferrers	

### **Confidential Appendix**

This report has a confidential appendix which is not for publication as it includes exempt information falling within paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.

## **1. Purpose of Report**

- 1.1 To seek approval to enter into a contract with Countryside Properties (UK) Limited ('Countryside') in relation to Essex County Council's (ECC) Hamberts Farm site. The Agreement contractual arrangements set out the process and terms of development of a 116 acre site in South Woodham Ferrers primarily for residential use. The proposals for development also include for the provision of a primary school, healthcare and recreational facilities for the benefit of the wider community together with road improvements, cycleways and footpaths. The proposed development also provides significant focus on sustainability and supports ECC's commitment to a carbon net zero Council by 2050 with sustainability measures included in the approved Masterplan.

## **2. Recommendations**

- 2.1 Agree that subject to the remaining recommendations the Council should enter into an option agreement with Countryside for the disposal of its interest in the land at South Woodham Ferrers shown outlined red on appendix A1 on the terms set out in this report.
- 2.2 Agree that subject to 2.1 the Director, Performance, Investment and Capital Delivery may determine the terms of the agreement in consultation with the Director, Legal and Assurance.
- 2.3 Agree that the option agreement may not be entered into until the Director, Performance, Investment and Delivery, in consultation with the Cabinet Member

for Economic Renewal, Infrastructure and Planning, and the Director, Legal and Assurance is satisfied that Countryside Properties (UK) Limited is giving sufficient security for the potential overage payments

### **3. Summary of Issue**

- 3.1 The decision to commit to disposal of Hamberts Farm fits with a number of the Council's strategies and policies. The Essex Organisation Plan sets out strategic aims including: to facilitate growing communities and new homes with a target to deliver 140,000 new homes by 2035; supporting Chelmsford City Council to provide the strategic blueprint for sustainable growth within the district including delivery of 18,000 new homes by 2035; to promote delivery of high-quality, healthy places, and embed sustainable travel in new developments; to generate capital receipts from surplus assets to support the council's capital finance position beyond 2022. The Council's policy is to dispose of surplus assets including farmland owned by the Council and to seek best value in the open market
- 3.2 ECC owns the freehold title to Hamberts Farm which extends to 116 acres (47 hectares) of land in South Woodham Ferrers (the Site), of which approximately 40 acres of land is developable for housing. The Site is shown coloured blue on the plan at Appendix A2. The Site includes three houses and a range of barns which are currently let on an agricultural tenancy. The Council has not declared the land surplus to its requirements, although it has not been in the business of being a provider of rented agricultural property for many years.
- 3.3 The Site is adjacent to land controlled by Countryside Properties (UK) Limited (Countryside). The Countryside land is shown coloured red on the plan at Appendix A2. It is also adjacent to land owned by the Speakman Family which is shown coloured purple on the same plan.
- 3.4 ECC has considered bringing forward the Site for development for a number of years and agreed an Option Agreement with Croudace Homes which expired in 2010. Subsequently, Chelmsford City Council indicated that they would consider allocating the relevant land for residential development. Initial discussions with Countryside commenced in 2016.
- 3.5 Chelmsford City Council formally adopted its Local Plan at the end of May 2020. The Local Plan references an allocation north of South Woodham Ferrers for 'around 1,000 dwellings plus necessary infrastructure' and this allocation includes the Site along with land controlled by Countryside and the Speakman family.
- 3.6 The site – combining ECC's ownership with the adjoining land – meets the strategic priorities set out in the adopted Chelmsford Local Plan particularly in addressing sustainability, housing growth, creating well-designed places and healthy communities. The development will make a substantial contribution to the total housing supply within Chelmsford during the Local Plan period to 2036. It will provide ECC with substantial capital receipts over the coming years from

2023 onwards and will be an early demonstrator for more sustainable forms of development through the imposition of more stringent planning policies.

- 3.7 The farm estate is no longer required to be retained by ECC following a policy decision in 2001 to dispose of all farms. Hamberts Farm has been retained until such time as the planning environment presents a suitable environment to engage a developer partner. With the adoption of the Chelmsford Local plan in 2021 and the South Woodham Ferrers Neighbourhood Plan the circumstances are right for disposal of the Council's ownership.
- 3.8 A decision of Cabinet in February 2021 (FP/800/09/20) agreed to the terms of ECC entering into negotiations with Countryside. Discussions between ECC and Countryside and terms are close to being agreed. Further detail on the proposed terms are set out in the Confidential Appendix.
- 3.9 The key benefit of this proposal with Countryside is that they are also proposing to develop an adjoining site which they control. An agreement with Countryside will achieve:
- Development of the site by a major developer with a good track record of delivering residential development schemes alongside an adjoining site.
  - Co-development with the adjoining land will mean that ECC can:
    - Agree a way of sharing the risks and benefits of development across landholdings. This arrangement has been detailed in the Confidential Appendix to this report at Appendix B.
    - A way to share risk and cost of installing infrastructure which will provide economies of scale and enhance returns
  - The proposals for development by Countryside also include for the provision of a primary school, healthcare and recreational facilities for the benefit of the wider community together with road improvements, cycleways and footpaths.
  - ECC will retain the ability to buy back part of the Site to allow for development of a social care / independent living facility if required. Any development of a social care facility will be at the direction and decision of ECC.
  - The evidence presented, with Lambert Smith Hampton's recommendation, supports the recommended Option of entering into negotiation with Countryside as potentially achieving the highest financial return for ECC's land holding.
- 3.10 Significant emphasis has also been placed on promoting sustainability measures to reduce the carbon footprint of the development. This will include the following:
- Non-gas central heating, together with photovoltaic cells for electricity generation.
  - Commitments to planting and a community inclusive approach to green infrastructure at the development which is extensive. This includes a planting commitment of one tree for every resident within the development.
  - The development layout and ethos is designed to dissuade car use and support walking and cycling modes of transport to key local amenities.
  - The wide range of uses at the site is designed to deliver a self-sustaining community and minimise the draw for undertaking unnecessary trips.

- All residential units on the development are to encompass electric vehicle charging points as well as making some community charge points available throughout the scheme.
- There will be improvements to the existing rights of way network to make the area more permeable (including the provision of a new bridleway route which links existing connections together from east to west).
- Smarter Choices travel guides to seek to engender lower patterns of base motorised use transport use and to link with enabling and maintaining healthy lifestyles.
- Homes are to be designed to facilitate home-working with secure and rapid internet connections as well as flexible design to facilitate workspaces.

The exact nature of sustainability elements will be expanded through the details submitted for planning permission in each phase of development and will pick up on sustainability interventions as these evolve during the course of development.

- 3.11 In addition to the Chelmsford City Local Plan reference to an allocation of 'around 1,000 dwellings plus necessary infrastructure', South Woodham Ferrers Town Council have consulted on the emerging South Woodham Ferrers neighbourhood plan which also included the proposed Chelmsford City Council allocation north of the town. The ECC and Countryside housing allocation in the Local Plan will see approximately 800 housing units being built across the combined ECC and Countryside site, with the balance being developed on land owned by the Speakman family.
- 3.12 The option agreement will potentially see ECC's entire landholding of 116 acres transferred to Countryside, other than the three farmhouses and some farm buildings. While only 40 acres are developable for housing, the remaining land will be used for development site assembly and fulfilling requirements for public open space and other planning agreement matters, delivering green space and recreation facilities for the new and existing community.
- 3.13 ECC will also look to dispose of the three houses and barns and achieve a capital receipt for these once vacant possession has been obtained. These properties sit outside of the area covered by proposed option agreement. ECC will also be responsible for ending the agricultural tenancy on the Site and will need to accept the risk relating to ending the tenancy and obtaining possession, which may require a court order to be obtained depending on the facts pertaining at the time.
- 3.14 Countryside have already produced and brought forward Master Planning for their land and for the ECC site required by the Chelmsford City Council Local Plan at their own risk. This has been done in consultation and collaboration with ECC and have carried out consultation with key stakeholders and submitted to Chelmsford City Council a site wide master plan. The consultation process has included presentations and feedback to Chelmsford City Council and South Woodham Ferrers Town Council as well as Essex Highways. Key areas raised have included density of residential development, provision of non-residential infrastructure, cycle routes and road / crossing improvements in and around the proposed development site. A revised Masterplan was presented to CCC in January 2021.

- 3.15 Development of the site will require infrastructure to be constructed. These arrangements and requirements will be subject to the conditions set out in a future planning consent. However, the risk and cost will be shared between ECC and Countryside through an equalisation mechanism. Details of this are set out in the Confidential Appendix.
- 3.16 Once the Option Agreement is completed, Countryside will look to submit a detailed planning application as soon as practicably possible. The contractual arrangements will compel Countryside to use reasonable endeavours to diligently pursue and obtain a Satisfactory Planning Permission
- 3.17 The Council has ensured that the interim recommendations of the Climate Change Commission have been considered and taken account as part of the negotiation with Countryside and are reflected in the final terms of the contractual agreement.

## **4 Options**

A range of Options were presented in the Cabinet Report in February 2021. In summary-

- 4.1 Do nothing – continue to receive £11,700 per annum income from farm tenancy
- 4.2 Place the ECC land on the open market for immediate disposal
- 4.3 Deliver infrastructure to the site and sell as development parcels
- 4.4 Enter into a Joint Venture arrangement with another developer
- 4.5 ECC to self-develop the site
- 4.6 Enter competitive dialogue to select a developer to take an option agreement (conducted as a soft-market test in 2016)
- 4.7 Enter into negotiations with Countryside for an option agreement (recommended).

These were fully considered and evaluated and it was decided to progress on the basis of the option outlined in paragraph 4.7.

## **5 Next Steps**

- 5.1 Complete the contractual arrangements with Countryside Properties (UK) Limited
- 5.2 Support Countryside Properties (UK) Limited with the submission, as soon as practicably possible, of a detailed planning application for the Site, to include an

outline of the site design to confirm the Masterplan principles with detail on infrastructure provision and first phase of development which is unlikely to include ECC's land or public or community land uses

## **6 Issues for consideration**

### **6.1 Financial implications**

6.1.1 Further details are included within the Confidential Appendix.

6.1.2 The recommended Option involves entering into negotiations with Countryside to ultimately achieve a significant capital receipt value once ECC's current land holding is developed rather than a) selling ECC's interest now and b) retaining ECC's interest in case of higher future value. The evidence in 3 above, along with LSH's recommendation, support the recommended Option of entering into negotiation with Countryside as potentially achieving the highest financial return for ECC's land holding

6.1.3 The capital receipt would be received in stages as various parcels of land are developed. An early payment, from Countryside, would be payable once the Option is agreed, as detailed in the confidential appendix.

6.1.4 The sale of the existing farm buildings is within ECC's gift regardless of which development option is pursued and so is not considered here.

6.1.5 There is a current use rental income stream that would be lost as the land is developed. The annual income is £11,700 as detailed above and in the appendix.

6.1.6 The final decision would be for Cabinet to consider when the negotiation process has concluded.

## **7. Legal implications**

7.2.1 The draft option Agreement with Countryside, the heads of terms for which are set out in the Confidential Appendix will legally commit ECC into a long-term relationship with Countryside Properties (UK) Limited.

7.2.2 ECC have a duty to achieve best value when disposing of assets under s123 Local Government Act 1972. ECC has ensured that the terms of the proposed contractual agreement with Countryside deliver best value for ECC.

7.2.3 Whilst the Public Contracts Regulations 2015 (PCR) do not apply to a straightforward disposal of land, ECC has considered the application of the PCR in relation to delivery by Countryside for ECC of elements of the development such as public realm and the proposed social care facility. Such works could constitute public works under the PCR. However, if ECC reacquires land for this purpose it will need to make separate contractual arrangements to have the works constructed.



7.2.4 The Cabinet should carefully note the risks of the transaction as set out in the confidential appendix

7.2.5 The Council is under a duty to secure the best consideration reasonably obtainable when disposing of land and the Cabinet should note the advice in the confidential appendix in this regard.

## **8. Equality and Diversity implications**

8.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

8.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

8.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

## **9. List of appendices**

- Appendix A1 - Site Plan showing Option land
- Appendix A2 – Site plan showing land ownerships
- Appendix B – Confidential Appendix
- Appendix C – Equality Impact Assessment

## **10. List of Background papers**

None declared.