

Committee: Cabinet	Date: 04 April 2007	Classification: Unrestricted	Report No:	Agenda Item No:
Report of: Alex Cosgrave Corporate Director Environment & Culture Originating Officer: Ian Brown Interim Service Head- Property & Facilities Management		Title: Disposal of Former Bishop Challoner School Site – Christian Street and Adjoining Playing Fields Ward(s) Affected: Whitechapel		

1. SUMMARY

- 1.1 In September 2003 Cabinet agreed the disposal of the former Bishop Challoner School in Christian Street to Bellway Homes Ltd. Due to circumstances set out in the report Cabinet is being asked to decide upon options relating to the disposal of this site.

2. RECOMMENDATIONS

Cabinet is requested to decide which of the following options it considers appropriate for the disposal of the site:

- 2.1 To allow Bellway Homes Ltd a period of exclusivity of 6 weeks from the date of this report to negotiate revised Heads of Terms for the acquisition of the site upon the terms of the planning brief tabled and for the Corporate Director Environment & Culture to bring those terms back to Cabinet for approval.

or

- 2.2 To instruct the Interim Service Head – Property & Facilities Management to market the site upon the terms of the planning brief tabled and to bring a report back to Cabinet at the earliest opportunity.

LOCAL GOVERNMENT ACT 2000 (SECTION 97)		
LIST OF "BACKGROUND PAPERS" USED IN THE PREPARATION OF THIS REPORT		
Brief description of "background papers"	Tick if copy supplied for register	If not supplied, name and telephone number of holder

3. BACKGROUND

- 3.1 Cabinet approved the sale of this site to Bellway Homes Ltd in September 2003. The sale was subject to conditions which are set out in the addendum report.
- 3.2 There are difficulties with the current terms of the contract in achieving the required 277 residential units on a small site, whilst retaining the equivalent open space for leisure and providing new community facilities. This will have an impact on the consideration to be achieved. However until the design is worked up it is not clear what the impact will be on the price. There may be less units (of which 35% are affordable housing) but the value of the land has increased considerably in the last three years.
- 3.3 If the Council was not minded to allow further time to Bellway to put in an offer, the site could be re-marketed but this would delay the capital receipt by up to 18 months as any new offer would also be subject to planning consent.

4. COMMENTS OF THE CHIEF FINANCIAL OFFICER

- 4.1 The disposal is part of the 2007/2008 capital programme. However, if the new terms and planning consent were achieved quickly then the receipt could still be within that year. Otherwise, there will be an impact if a re-tender with planning consent went outside of the year.

5. COMMENTS OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL)

- 5.1 The Council is required to secure 'best consideration' (section 123 of the Local government Act 1972). Developments of this nature are always conditional on planning consent which effectively gives the contract the nature of an 'option' exercisable by the developer when planning is achieved.
- 5.2 The officers are able to verify that 'best consideration' is achieved by comparing other sales in the current market. This would be confirmed by independent professional advice. Accordingly, there is no necessity to re-market the site in the first instance if Bellway Homes Ltd decide to put in a revised offer. However, it is suggested this must be confirmed by the developer in a short period with contracts being completed in a fixed timetable once more. Bellway Homes Ltd are in a position to do this as they have been working on the design of the site for some time now.

6. EQUAL OPPORTUNITIES IMPLICATIONS

6.1 There are no implications arising out of this report.

7. ANTI-POVERTY IMPLICATIONS

7.1 There are no implication arising out of this report.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1 This will be achieved through planning conditions.

9. RISK MANAGEMENT IMPLICATIONS

9.1 The risk lies within the delay to the capital programme if the site is re-tendered.