

Central Bedfordshire Council

EXECUTIVE

Tuesday 7 June 2016

Maintaining a Sustainable Land Holding

Report of Cllr Richard Wenham, Executive Member for Corporate Resources, (richard.wenham@centralbedfordshire.gov.uk)

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This report relates to a key issue

Purpose of this report

1. Currently there is no provision in the capital programme for land acquisitions. It is proposed that a policy of land acquisition is put in place that allows Central Bedfordshire Council to replenish its estate through judicious purchases of land where these fit strategically with our current estate.

RECOMMENDATIONS

The Executive is asked to approve the following recommendation:

1. **that approval from Council is requested for a new item to be added to the capital programme to cover land purchases up to a maximum combined total of £8 million for financial year 2016/17 subject to the revenue impact being containable within the existing budget and the completion and sign off of a suitable business case.**

Overview and Scrutiny Comments/Recommendations

2. This report will be considered by a Special Corporate Resources Overview and Scrutiny Committee on 24 May 2016. The Committee endorsed the document for Executive approval.

Background

3. The Council's capital programme is also underpinned by the capital receipts it receives from the sale of land; the current MTFP assumes around £40 million of income from sales.
4. In order to retain the viability of the Council's agricultural holdings, so that they continue to play a role in protecting the landscape and to ensure the long term asset base of the Council is maintained a policy of land acquisition to replace that lost through sales is suggested.
5. This will help support the Council's Farm Strategy which sets out our role as landlord of agricultural holdings in order to provide tenancy opportunities and protect the character of Central Bedfordshire.
6. Currently over 200 acres of ex-agricultural land are being marketed or sold by the Council including:
 - Arlesey Cross, Arlesey
 - Thorn Turn, Houghton Regis
 - Stratton 5, Biggleswade
 - Hitchin Road, Fairfield
7. Whilst disposing of developable land makes sound financial and business sense, the Council currently has no policy of land acquisition specifically aimed at replacing the land being sold; therefore the Council's asset base is being depleted over time.

Options for consideration

8. It is proposed that a policy of land acquisition is put in place that allows Central Bedfordshire Council to replenish its estate through the judicious purchase of land where this fits strategically with our current estate.
9. To enable the replacement of land sold for development it is proposed that Council is asked to add a Land Acquisition item be added to the capital programme.
10. The proposed value of the Land Acquisition programme is £ 8 million as this represents a reinvestment of 20% of the disposals income over the period of the MTFP.
11. As it is not possible to predict what opportunities will come forward and when, it is requested that the full value of this programme is available in 2016/17 but that this represents the total value of this activity over the period of the MTFP with any unspent balance rolling into future years but not being added to in those years.

9. The alternative option is to maintain the status quo, with land being sold when it becomes possible to enhance its value, this is not sustainable in the long term as it leads to depletion of assets and does not support our farming businesses nor help protect our rural landscape.

Issues

10. The Council's constitution requires capital expenditure over £ 500k, unless specifically detailed in the budget, to be an Executive decision.
11. However the speed and agility of decision making required to purchase land in an active market does not always sit well with an eight week Executive meeting cycle, particularly with reports needing to be prepared at least a month in advance.
12. The Constitution does however allow for more rapid decision making if required, and therefore the following hierarchy of decision making is suggested:
 - Individual land purchases over £ 500k are approved by Executive.

If this is not possible due to timescales then:
 - Reports are submitted to Executive using the General Exceptions rule, shortening the timescales in preparation

If this is not possible due to timescales then:
 - A Special Executive is called to enable the decision to be made

If this is not possible due to timescales then:
 - A decision is made using the Special Urgency Rules.
13. Following this hierarchy of decision making would allow decisions on land purchases to be made without need to change the Council's constitution and yet retain the ability to make decisions quickly if required.
14. The frequency of suitable opportunities has, to date, been low and therefore it is not expected that requirements for a Special Executive, for example, would be commonplace.

Reason/s for decision

15. Over 200 acres of ex-agricultural land are currently being sold.
16. Whilst disposing of this land makes good financial and business sense it means the Council's agricultural asset base is shrinking significantly.

17. Currently there is no provision in the capital programme for land acquisitions, which makes the current policy of disposals to underpin the capital programme and deliver policy objectives unsustainable in the long term.

Council Priorities

18. The acquisition of additional land will assist in delivering more efficient and responsive Council.

Corporate Implications

19. The corporate implications are covered in the legal and financial risk sections below.

Legal Implications

20. There are no legal implications beyond the work required to carry out the purchase of agreed land.

Financial and Risk Implications

21. Currently there is no provision for land acquisition in the capital budget; it is proposed only to bring forward proposals whose costs can be contained within the existing revenue budget.
22. It is intended that the financial and risk implications of each proposed purchase will be managed via a business case, with each proposal being considered on its merits and that the case for each proposal will be part of the Executive report that informs the Executive's decision.

Equalities Implications

23. No Equality implications have been identified.

Implications for Work Programming

24. It is not anticipated that this will have any implications for the Overview and Scrutiny Committee.

Conclusion and next Steps

25. If the recommendations are accepted a report will be made to the July Council seeking the addition of a land acquisition allocation to the capital budget
26. If Council in turn approves the addition to the capital budget the assets team would seek to bring forward a series of business cases to Executive for consideration, as and when opportunities arise.

Appendices

None.

Background Papers

None.