

## BOROUGH OF KETTERING

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<b>Report Originator</b>	Sue Lyons Head of Democratic & Legal Services	<i>Fwd Plan Ref No:</i>	
<b>Wards Affected</b>	Desborough Loatlands Desborough St. Giles	10 <sup>th</sup> September 2014	
<b>Title</b>	FORMER LAWRENCE'S FACTORY SITE - MARKETING		

**Portfolio Holder: Cllr I Jelley**

### **1. PURPOSE OF REPORT**

- 1.1 To gain the approval of the Executive to commence a marketing process to obtain offers for the potential disposal of the Lawrence's site by freehold purchase for the future development of the site.

### **2. INFORMATION**

#### **Background**

- 2.1 The Council acquired the site a number of years ago through a combination of grant funding from the East Midlands Development Agency and Homes and Community Agency.
- 2.2 The funding was essentially 'outcome' related in that it was to facilitate the regeneration of the site and create economic activity and employment for the town.
- 2.3 Independent studies that were undertaken on the site at that time highlighted that the original concept to have some form of mixed use development on the site, consisting of retail, housing and community, was not a financially viable option. Instead, it was identified that the only option that stacked up financially would be to sell the site for a retail development (supermarket).
- 2.4 Following a full marketing exercise the Executive previously agreed the conditional disposal of the site to Greatline Developments Ltd, working in partnership with Tesco for development as a supermarket.
- 2.5 The legal and planning issues relating to the site required complex and lengthy negotiations. Greatline Developments Ltd was unable to meet the conditions of purchase due to the announcement by Tesco that they had withdrawn from their development agreement with Greatline Development Ltd due to commercial reasons and a changing retail market.
- 2.6 As a result, the site needs to be marketed to ascertain what development interest currently exists.
- 2.7 Given the passage of time since the previous marketing exercise, Members are asked to consider a marketing exercise to obtain offers for the site. Such a

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process will allow the Council to see what interest there is in acquiring and developing the site, which will include but not be limited to supermarket use. It will also provide an opportunity to consider the range of capital receipts that are associated with different uses and any further grants available. The Council has a statutory duty under s123 of the Local Government Act 1972 to obtain best consideration reasonably obtainable for disposal of land. This exercise will allow the Executive to assess all options.

- 2.8 It is important that members of the committee recognise that their role when considering this report is only in relation to agreeing that a process be commenced to consider the possible uses for the site. A further report will be brought to the Executive to decide the use of the site when the outcome of the marketing exercise is known. As part of that next stage in the process, the Council as land owner and owner of other assets within the town, will also have the opportunity to consider whether there are other opportunities that are worth exploring further to develop the site itself.

### **Constraints**

- 2.9 From previous reports, members will be aware that the site has a number of restrictive covenants on it. These mainly relate to retail uses and are in favour of the previous land owners, Central Midlands Estates Ltd (Midlands Co-op).
- 2.10 The options for the future development of the site will need to consider the issue of the covenants, and associated financial implications, if any proposed uses are contrary to the covenants.
- 2.11 Any future sale of the site may involve the repayment of some of the EMDA grant. This will be dependant upon the outcomes from the development and the capital receipts involved. Again, this will be an important consideration later in the process when options are considered.
- 2.12 The marketing exercise will provide details of the above issues to potential purchasers so that they have sufficient information upon which to consider and submit their proposals.

### **3. POLICY IMPLICATIONS**

- 3.1 None at this stage of the process

### **4. CONSULTATION AND CUSTOMER IMPACT**

- 4.1 The marketing process provides an opportunity for interested parties to submit their offer for the site.

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### 5. **FINANCIAL RESOURCE IMPLICATIONS**

- 5.1 None as a direct result of this report however the Executive Committee will need to give specific attention to its statutory duty under s123 of the Local Government Act 1972 to obtain best consideration reasonably available for the site as part of the process.

### 6. **RECOMMENDATION**

That the Executive agree that:

1. Offers are obtained from the open market for the freehold disposal of the site.
2. A further report on the outcome of the exercise and the options for development of the site is brought to back to the Executive for consideration.

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#### Background Papers:

Title of Document:  
None

#### Previous Reports/Minutes:

Ref:  
Date: 16.6.10: Exempt  
Minute 10.EX.21  
21.7.10: Minute 10.EX.35  
16.3.11: Exempt  
Minute 10.EX.99  
13.12.11: Exempt  
Minute 11.EX.59  
11.9.13 Exempt  
Minute 13.EX.28