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To: Policy and Resources Cabinet Committee 27th September 2012

Subject: Sale of development areas 01, 03 & 05, Kings Hill, Village 2

Classification: Unrestricted

Summary: This report outlines the rationale for the sale of three small development plots at Kings Hill as part of the adopted strategic land disposal programme at Kings Hill.

Members of the Policy and Resources Cabinet Committee are asked to consider and either endorse or make recommendations on the Cabinet Member decision to authorise the sale of the three parcels of land.

1. Introduction

Kings Hill is one of KCC's flagship mixed developments. It provides high quality and in some cases exemplar forms of development which contribute towards bettering design standards.

KCC and its Kings Hill development partners, Liberty, have committed to a long term calibrated and progressive development land disposal programme.

The Kings Hill development is a proven and essential regular income through annual distributions, generated by the effective disposal of residential development land.

It is proposed that KCC should agree the future disposal of the subject land parcels for best consideration, through a competitive tender basis. This will be facilitated by KCC's development partners, Liberty Property Trust UK.

The proposed land sales form an important part of the remaining unfinished areas of allocated housing development within Village 2. The land disposals will take place with the Partnership's detailed planning permissions and will complete and improve the development.

The three parcels total an area of 1.71 ha (4.224 acres) and will allow the development of 53 family houses, broken down as below:

| Site Name | Area (ha) | Area (acres) | Units |
|-----------|-----------|--------------|-------|
| 01 | 0.709 | 1.754 | 23 |
| 03 | 0.314 | 0.777 | 13 |
| 05 | 0.685 | 1.693 | 17 |

Each area is likely to receive a return to the Development Partnership of in excess of £1m.

2 Relevant priority outcomes

The decision directly links to the Council's Medium Term Plan (Bold Steps for Kent) in that it aligns with:

Priority 8 - Responding to key regeneration challenges working with our partners by unlocking a key site within a growth point and which contributes to providing new homes and commercial opportunities at Kings Hill.

Priority 9 - Support new housing growth that is affordable, sustainable and with the appropriate infrastructure; and

Priority 10 – Deliver growth without gridlock.

The proposed decision relates to the long term agreed Master Plan and strategy for Kings Hill and as part of the Council's Policy Framework

3 Consultation and Communication

The proposed sale of land is part of the adopted strategic land disposal programme at Kings Hill. Local Member consultation has taken place.

4. Financial Implications

The three sites will be tendered separately to maximise their sale price. Each area is likely to receive a return to the Development Partnership of in excess of £1m.

5. Legal Implications

The sale and purchase agreements will contain typical terms and conditions used in other recent Kings Hill residential land disposal transactions. The land sale will contain restrictive covenants which benefit the development partnership in order to ensure a consistent approach to build quality and are in the long term best interests of the development.

6. Equality Impact Assessments

Through this report members are not being asked to create, update or remove a policy, procedure or service and therefore there are no equality impacts.

7. Sustainability Implications

There are no sustainability implications of these land sales. Any implications related to the building of houses on these sites have been identified and mitigated against as part of detailed planning process.

8. Alternatives and Options

The alternative option would be to not sell the development areas. This would result in land remaining undeveloped and new family housing not being built. Although land values are typically cyclical in nature, it is considered that delaying the sale of these land parcels would not result in a significantly increased return to the Development Partnership.

9 Risk and Business Continuity Management

None

10 Conclusion

The sale and disposal of these three parcels of land are in line with the adopted disposal strategy at Kings Hill and will result in significant revenue to the Development Partnership and subsequently KCC directly, with minimal risk or negative implications.

11. Recommendations

Members of the Policy and Resources Cabinet Committee are asked to consider and either endorse or make recommendations on the Cabinet Member decision to authorise the sale of the three parcels of land.

12. Background Documents

A location based plan along with housing layouts for the three sites are attached for reference purposes.

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