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To: Policy and Resources Cabinet Committee 27th September 2012

Subject: Sale of development areas 62 Kings Hill, Village 2

Classification: Unrestricted

Summary: This report outlines the rationale for the sale of a large development plot 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 parcel of land.

1. Introduction

Kings Hill is one of KCC's flagship mixed use developments. It provides high quality and in some cases exemplar form of development which importantly contributes 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 parcel for best consideration, and this may be achieved through a competitive tender basis. This has been facilitated by KCC's development partners, Liberty Property Trust UK.

The proposed land sale forms an important part of the remaining areas of allocated residential development sites available within Kings Hill Village 2. The land disposal is most likely to take place on a 'subject to planning' basis and subject to contract, with the Development Partnership's approval of a reserved

matters/ detailed planning application, to ensure the site's development proposals will positively contribute towards the overall development.

Area 62 is a parcel with a total area of 1.536 Ha (3.796 Acres) and will allow the development of approximately 50 family houses.

The land transaction will exceed £1million.

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 site is likely to be tendered by the development partnership separately, however, it could also be sold by private treaty, subject to negotiation and in order to secure maximum land sale price and where it can be demonstrated best consideration can be achieved. Accordingly, the purchaser, terms and provisions are yet to be determined. The terms of the sale will generate a return to the Development Partnership significantly in excess of £1m. Further contributions will be paid by the purchaser towards a public art contribution.

5. Legal Implications

The sale and purchase agreement will contain typical terms and conditions used in other recent Kings Hill residential land disposal transactions. The site is being sold to the selected housebuilder, subject to the housebuilder/purchaser successfully securing a reserved matters planning permission, and which has yet to be approved by the development partnership. The land sale will contain restrictive covenants which benefit the development partnership, and in order to ensure a consistent approach to build quality and 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 is no sustainability implications involved with the land sale. Any implications to the building of all houses on this site has been identified and mitigated against as part of the original planning consent and process and associated Section 106 agreement.

8. Alternatives and Options

The alternative option would be not to sell the development area. This would result in the land remaining undeveloped and new family housing not being built. Although land values are generally cyclical in nature, it is considered that delaying the sale of this land parcel would result in a significant disadvantage to the agreed objectives and returns to the Development Partnership.

9 Risk and Business Continuity Management

None

10 Conclusion

The sale and disposal of this area of land are in line with the adopted disposal strategy at Kings Hill with an important contribution towards new homes, will result in significant revenue to the Development Partnership and subsequently KCC directly, 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 land.

12. Background Documents

A location plan is attached for reference purposes.

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