

**PROPOSED LAND SWAP AT SWAVESEY : CAMBRIDGESHIRE COUNTY
COUNCIL AND MR J SHEPPERSON**

To: **Commercial and Investment Committee**

Meeting Date: **16th December 2019**

From: **Strategic Assets**

Electoral division(s): **Papworth and Swavesey**

Forward Plan ref: **N/A** *Key decision:* **No**

Purpose: **The Committee is being asked to consider the “swap” of a parcel of CCC’s Rural Estate for a parcel of land with Commercial Development potential.**

Recommendation: **The Committee is being asked to agree to the Land Swap, as per the Heads of Terms attached as a Confidential Appendix.**

<i>Officer contact:</i>		<i>Member contact:</i>
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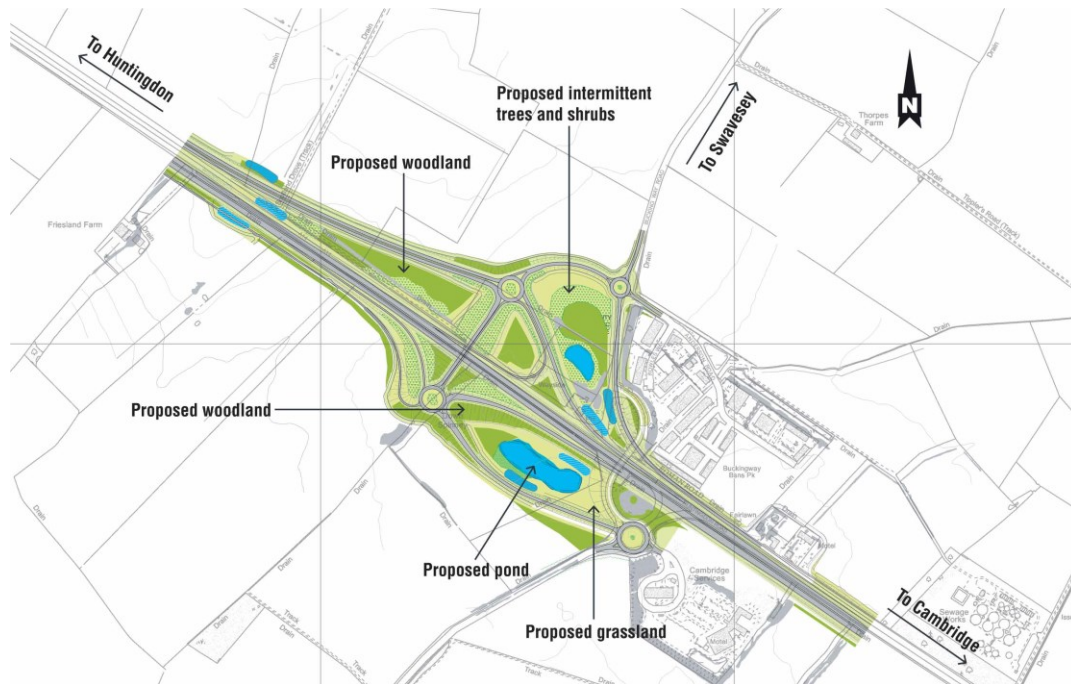
1. BACKGROUND

- 1.1 Cambridgeshire County Council own a parcel of grassland part of Thorpes Farm, Swavesey, close to the Buckingham Business Park in Swavesey, Cambridgeshire (coloured pink and orange on the attached plan). An approach was made to Strategic Assets proposing a “swap” of part of this land (coloured orange) with a parcel of land with potential for commercial development adjacent the Buckingham Business Park (coloured purple on the attached plan, 5.21 acres). The proposed swap would provide CCC with a parcel of land of circa 20 acres (coloured pink and purple), adjacent the A14, with greater scope to promote and develop as a Commercial investment over coming years.
- 1.2 In line with CCC’s Disposal Policy, an RICS Red Book Valuation was commissioned of both parcels, and negotiations have taken place with the advice of the Valuers as well as CCC’s Solicitors, to put forward Heads of Terms proposing the “Swap”. Brown & Co were commissioned to provide the Valuation Report.
- 1.3 The Valuation of the Parcels advised that the third party land has a current Market Value of £440,000 and the CCC Land a value of £450,000. The parcels have been agreed to have parity in value, therefore there will be no receipt or expenditure (other than legal costs), linked with the swap (purchase and disposal.)

2. MAIN ISSUES

- 2.1 Cambridgeshire County Council have considered the following options available to them, in order to propose the recommendation below.
- 2.2 **Do nothing:** Cambridgeshire County Council own a large Rural portfolio, providing a stable and reliable income. The proposed land to be swapped currently brings in an annual rent of £5,680 (£61/ acre). The current Agricultural Holdings Act Tenancy will end in October 2020, when the current Tenant turns 65. The parcel would then be advertised in the open market for re-let on a Farm Business Tenancy for a term of 5 years initially, applicants to Tender. CCC would benefit from the stable income over future years.
- 2.3 There is little scope for the Rental income to increase significantly over future years, and the Valuation Report provided advises “the market is unlikely to attribute any hope value to any of the CCC land within the 73.7 acres”.
- 2.4 **Dispose of CCC’s Land and acquire third Party Land (“Swap”):** Buckingham Business Park has been developed and expanded since the late 1980’s and the third party parcel proposed to be swapped would form a natural extension to the Estate. The land has been put forward by Mr. Shepperson’s Agents as part of the Greater Cambridge Partnership Call for Sites, with a decision on sites for consultation being expected in December 2019. The Council put forward our adjacent parcel (coloured pink) also.
- 2.5 Neither parcel of land has been actively marketed but there have been speculative approaches from third party developers.
- 2.6 The Swap would provide CCC with a parcel of land, to link to its existing land, with

significant hope value for commercial development in future years. The Valuation Report advised “with recent development of the Buckingham Business Park having reached the eastern boundary of its site, expansion of this type of development on the subject site can be regarded as having a relatively high degree of likelihood, and the question is perhaps not one of if, but when, assuming generally accepted town planning principles.” An updated Valuation Report, completed in October 2019 to take into account the Terms agreed, reinforced the positive view of the market and Values attributed to the parcel. In addition the land is next to the newly improved A14 running south of Huntingdon and which opens in December 2019. The new road greatly increases the strategic value of this land. (See plan)



- 2.7 There are a number of risks involved in the swap. Negotiations have mitigated a number of Title Issues, and proposals for the remainder and how these are to be dealt with are contained within the Heads of Terms. CCC also runs the risk of holding the property for a period of time, whilst the site is promoted for development, and planning permission obtained. This may incur holding costs – which can be mitigated by the short term letting of the property for agricultural use and maintained by the Tenant. The costs to promote the site, alongside our existing (pink) land are unknown. Upon completion of the acquisition a strategic plan will be put in place, and advisors appointed in relation to this. This will provide an estimate of expected costs and timescales.
- 2.9 Given the existing Industrial uses at the adjacent Buckingham Business Park, and the location of the property is expected that the land will be developed for commercial distribution and storage uses. Once acquired, as described at 2.7, a strategic plan will be put in place and relevant advisors appointed to assist in this. If allocated in the local plan it could be sold with outline planning consent or the Council could develop the site itself.
- 2.8 There is a low risk that the CCC rural parcel of which we are disposing may increase in value, after obtaining planning permission, for example; although this is unlikely. The proposed Swap includes an overage provision of 40% in CCC's favour for 100 years, to ensure that CCC would share any future uplift should the rural parcel be developed in the future. The overage of 40% was negotiated up from an initial offer of 20% and is the best

that can be achieved. 100 years is considered a long overage window given the proximity of the land to the improved A14 and the Buckingway Business Park.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 A good quality of life for everyone

The proposed swap will enable CCC to realise future receipts to support the delivery of Council services.

3.2 Thriving places for people to live

The proposed swap will enable CCC to realise future receipts to support the delivery of Council services.

3.3 The best start for Cambridgeshire's children

The proposed swap will enable CCC to realise future receipts to support the delivery of Council services.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

Legal costs will be incurred to execute the proposed swap. Each party will bear their own legal costs. Later, as mentioned above there will be resources required in the form of Advisors and legal costs and staff costs to implement the project and to promote the site for development.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

4.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

4.4 Equality and Diversity Implications

There are no significant implications within this category.

4.5 Engagement and Communications Implications

There are no significant implications within this category.

4.6 Localism and Local Member Involvement

Councillor Mandy Smith has been informed.

4.7 Public Health Implications

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Tom Kelly
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	No Name of Officer: Gus De Silva contacted 04.11.19 No response.
Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law?	No Name of Legal Officer: Fiona McMillan contacted 04.11.19 No response
Have the equality and diversity implications been cleared by your Service Contact?	No Equality and Diversity Team emailed 04.11.19 No response.
Have any engagement and communication implications been cleared by Communications?	No Communications Team emailed 04.11.19 no response.
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: Councillor Mandy Smith
Have any Public Health implications been cleared by Public Health	Yes Name of Officer: Iain Green