

Report to:	Cabinet	Date of Meeting:	2 November 2023
Subject:	Land at Lunt, Sefton		
Report of:	Executive Director of Corporate Resources and Customer Services	Wards Affected:	Manor; Park;
Portfolio:	Cabinet Member - Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	Yes	Included in Forward Plan:	Yes
Exempt / Confidential Report:	No, but the information appearing in Appendix 2 of the report is NOT FOR PUBLICATION by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. The Public Interest Test has been applied and favours the information being treated as exempt.		

Summary:

To report on the principal terms and conditions that have been agreed for the freehold disposal of approximately 193 acres (78 hectares) of land at Lunt Village, Thornton, Sefton.

Recommendation(s):

- (1) That approval be granted to dispose of approximately 193 acres (78 hectares) of land at Lunt Village, Thornton on the terms and conditions detailed within this report.
- (2) That the Chief Legal and Democratic Officer be authorised to complete the necessary legal documentation.
- (3) That approval be granted to deduct up to 4% of the eventual capital receipt to cover the professional fees and incidental costs of disposal as set out in Capital Accounting Regulations.

Reasons for the Recommendation(s):

- (i) The disposal will generate a capital receipt that can support the delivery of economic development and regeneration projects, which form part of the Growth and Strategic Investment Programme.
- (ii) Incidental costs of disposal such as Consultant's fees and valuation reports can be deducted from a capital receipt in accordance with Local Authority Capital accounting Regulations.

- (iii) The proposed purchaser intends to enhance biodiversity of the area, contribute to increasing the ability of the area to capture carbon from new woodland planting and wetland creation and to work alongside other not-for-profit, charity and statutory landowners and occupiers, potentially through a form of joint management agreement, to develop a more extensive forest park in the area.
- (iv) It is proposed that the Council would retain an ongoing involvement in the development, delivery and future management of the more extensive forest park.

Alternative Options Considered and Rejected: (including any Risk Implications)

The Council could retain the land in its ownership and market the property to let for agricultural use, however this would not generate a capital receipt to fund the Growth and Strategic Investment Programme. The sale of the Grange land is included in Phase 1 of the Asset Maximisation proposals.

The Council could retain the land for carbon capture or open space amenity, however responsibility for managing the land would also stay with the Council. There is currently no staff or budget for the management of this land and provision would need to be considered to avoid a negative impact on existing land management budgets (regardless of which portfolio assumed responsibility).

What will it cost and how will it be financed?

(A) Revenue Costs

Each party is to bear their own legal and surveyors fees as per the provisionally agreed Heads of Terms.

(B) Capital Costs

Under Local Authority Capital Accounting Regulations' the Council is entitled to use up to 4% of a capital receipt to meet the incidental costs of a disposal. In this case the costs of the valuation report for the disposal will be deducted from the eventual receipt.

Implications of the Proposals:

<p>Resource Implications (Financial, IT, Staffing and Assets): Property and Facilities Management and Green Sefton will work alongside Legal and Democratic Services to complete the matter.</p>
<p>Legal Implications: The Chief Legal and Democratic Officer will complete the necessary legal documentation for the freehold disposal accordance with Section 123 of the Local Government Act 1972 (as amended).</p>
<p>Equality Implications: There are no equality implications.</p>
<p>Impact on Children and Young People: No</p>

Climate Emergency Implications:

The recommendations within this report will

Have a positive impact	Yes
Have a neutral impact	No
Have a negative impact	No
The Author has undertaken the Climate Emergency training for report authors	Yes

The recommendation within this report will have a positive impact as the ambition of the purchaser is to enhance biodiversity of the area, contribute to increasing the ability of the area to capture carbon from new woodland planting and wetland creation as well as offering new access opportunities to people in the Borough of Sefton.

Contribution to the Council's Core Purpose:

Protect the most vulnerable: Not applicable.

Facilitate confident and resilient communities: The proposed disposal intends to offer new access opportunities to people in the borough which would improve the quality of life, neighbourhood and environment.

Commission, broker and provide core services: The sale of the land to generate a capital receipt will support a number of Council service priorities under the Growth and Strategic Investment Programme and Framework for Change.

Place – leadership and influencer: This disposal provides an opportunity for the proposed purchaser, the Council and other statutory landowners at Lunt to develop and deliver a more extensive forest park in the area.

Drivers of change and reform: Not applicable

Facilitate sustainable economic prosperity: The Council's disposal strategy of which this landforms part of Phase 1 is critical to facilitating the delivery of the wider Growth Programme and individual economic development projects.

Greater income for social investment: The disposal of the land at Lunt will secure a capital receipt and directly contribute to the Council's Growth Programme.

Cleaner Greener: The proposed purchaser intends to enhance biodiversity of the area and contribute to increasing the ability of the area to capture carbon from new woodland planting and wetland creation. The disposal could also facilitate the development of a more extensive forest park in the area which would deliver a significant contribution to improving the quality of life, neighbourhood, and the environment, whilst also increasing the ability to meet Net Zero targets for the area as more carbon is captured through this landscape scale approach. All of the above works toward achieving the Councils 2030 Vision and improving peoples wellbeing.

What consultations have taken place on the proposals and when?

(A) Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD 7396) and the Chief Legal and Democratic Officer (LD 5595) have been consulted and any comments have been incorporated into the report.

(B) External Consultations

Partners such as MEAS and other not-for-profit, charity and statutory landowners and occupiers who would form part of a partnership to create a wider forest park have been consulted and provided advice and guidance on the proposals where applicable and appropriate.

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

Contact Officer:	Suzanne Rimmer
Telephone Number:	
Email Address:	suzanne.rimmer@sefton.gov.uk

Appendices:

The following appendices are attached to this report:

- Appendix 1 - Site Plan
- Appendix 2 - Financial Details

Background Papers:

There are no background papers.

1. Introduction/Background

- 1.1 The Grange land at Lunt comprises approximately 193 acres of vacant farmland which is designated as Green Belt within the Council’s Local Plan.
- 1.2 The land was previously let for many years to a local farmer, however in 2020 the farmer (via his appointed agent) contacted the Council expressing a wish to retire. Negotiations were undertaken between the parties and a surrender of the agricultural tenancies completed in January 2021.
- 1.3 The surrender of the agricultural tenancies presented the Council with an asset management opportunity to generate a capital receipt. The land was marketed for sale with a view to selling the land with vacant possession further to the surrender of the agricultural tenancies, however the sale did not complete.

- 1.4 Whilst the Council could choose to retain its land holdings at Lunt and manage it, resource and financial pressures are prohibitive of this. This sale of the land would generate a capital receipt, lead to improved biodiversity, carbon capture and habitat creation, and potentially facilitate the development of a more extensive forest park in the area, delivering greater public value delivering against several aspects of the Council's 2030 Vision.

2. Purchasers Proposal

- 2.1 The Purchaser approached the Council in 2022 expressing an interest in purchasing the Council's land at Lunt with the intention to enhance biodiversity of the area, contribute to increasing the ability of the area to capture carbon from new woodland planting and wetland creation and work alongside other not-for-profit, charity and statutory landowners and occupiers to develop a more extensive forest park in the area, providing more public benefit from this land, both from a nature and public access perspective. They are also keen for the Council to retain ongoing involvement in the development of a wider forest park.
- 2.2 The Purchaser intends to develop and create an extensive new area of mixed woodland, wetland and open space, with a network of improved access routes. They see this forming part of a masterplan for a larger forest park.. They have also indicated that part of their interest in the Council-owned land is to offset some of their own Carbon footprint.
- 2.3 The project will be funded by their own resources, with match-funding from the Trees for Climate Grant, which is a DEFRA fund, administered locally by Mersey Forest. To meet the terms of the Grant, the Purchaser needs to meet several criteria: including Forestry Commission approval to plant trees, and a demonstration of their ability to deliver sufficient quantity of planting across the site, to be undertaken with the designated time frame.
- 2.4 To provide the evidence for these criteria, the Purchaser needs to complete the Woodland Creation Planning Grant (WCPG) process, which they will be working alongside Mersey Forest to deliver. Details of the WCPG process can be found here:[A Guide to Planning New Woodland in England V1.0 Nov2021.pdf \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/100222/A_Guide_to_Planning_New_Woodland_in_England_V1.0_Nov2021.pdf)
- 2.5 In order to start the Grant process the Purchaser first needs the Council's confirmation that it is willing to sell the land as per the Heads of Terms detailed in Section 3 below. The reasons for this are detailed in 2.6 and 2.7 below.
- 2.6 The Woodland Creation Planning Grant Process (WCPG) is split into two parts and the first stage has been led by Mersey Forest, who have already completed much of the initial scoping and survey works as part of the WCPG Stage 1. This initial application has been submitted to the Forestry Commission (FC) for consultation and approval, and the Purchasers are currently in the analysis/synthesis stage. The Purchasers are already aware that there are some areas – e.g. archaeology, where more detailed survey work has been requested and further surveys may be required as the plan develops.
- 2.7 One of the reasons for clarity about the land acquisition is the resource cost around the due diligence, both in terms of contractors' time and staff resource.

The Purchaser has opted to follow the WCPG process as it automatically engages the Environmental Impact Assessment process, ensuring all the necessary criteria is met. Consultation with the local community will be a part of the process also.

- 2.8 The purchaser has also offered to support the Council to plant trees on other land in Council ownership, or on land the Council rents or buys. This would be subject to a separate partnership agreement and availability of funding (e.g. from Mersey Forest, Council funds etc.), but they have provided some relevant examples of similar work they are already doing with other Council's in the UK. In light of the Council's limited resources, and net-zero commitment, this is not an unhelpful element of the offer, and one that officers could explore further once the proposed sale is determined.

3. Heads of Terms

- 3.1 The following Terms and Conditions for the sale of land at Lunt have been provisionally agreed with the Purchaser:-

Property

193 acres (78 hectares) or thereabouts of agricultural land at Lunt Village, Thornton Merseyside, L29 7WB (shown, for identification purposes only, edged red on the plan at Appendix 1.

The Purchaser will assume all existing Statutory and other liabilities relating to repair and maintenance of the land rights of way, access roads, footpaths and gates.

Purchaser

See Point 1 in Appendix 2

Purchase Price

See Point 2 in Appendix 2.

VAT

The purchase price is exclusive of VAT.

Overage Deed

The Purchaser shall enter into an Overage Deed with the Vendor for a period of 25 years in respect of any future residential use and for non-agricultural or non-equestrian development. The overage payment shall be 50% of the uplift in value following the grant of planning permission for residential, non-agricultural or non-equestrian purposes. Amenity use of the land shall be acceptable and not trigger the payment of overage.

Rights of Way, Public Footpaths, Wayleave, Easements etc.

The Property is to be sold subject to any existing rights of way public footpaths easements and Wayleaves in force. The Vendor is aware of Wayleaves to Scottish Power for existing electricity poles and wires across part of the Property.

Stewardship Agreements

The Property is not known to be entered into any countryside stewardship scheme.

Basic Payment Scheme entitlements

Non SDA Basic Payment Scheme Entitlements are not included in the sale of the Property.

Sporting and Mineral Rights

All sporting and mineral rights associated with the Property are to be included in the sale.

Services

The Vendor is not aware of any mains services connected to the Property. There are no irrigation Licences as far as the Vendor is aware.

Carbon

There will be no reservation of carbon by the Vendor.

Non Development Transfer Back

Not applicable

Conditions

The foregoing terms are subject to:-

1. Vendor's Independent Valuation confirming the Purchase Price is best consideration as per Section 123 of the Local Government Act 1972 (as amended).
2. Vendor's formal Cabinet approval to the sale and call in period.
3. Purchaser completing the Woodland Creation Planning Grant process to meet the terms of the Trees for Climate Grant.
4. Purchaser confirming Trees for Climate Grant drawn down and in place.
5. Contract.

Timescales

- 2 November 2023 – Vendor's Cabinet meeting seeking approval to Heads of Terms for the sale of the subject Property. Subject to call in, contract and Trees for Climate grant.
- November 2023 – Vendor and Purchasers Legal Teams instructed to complete necessary legal formalities (subject to Call In period)
- November 2023 – July 2024 – Purchaser undertakes WCPG and Trees for Climate Grant application process.
- 31 July 2024 – Purchaser confirms to Vendor if all approvals needed to draw grant, including permission to plant from Forestry Commission, are in place.
- August 2024 – Purchaser draws down Trees for Climate Grant and contracts exchanged.
- 30 August 2024 – Complete contracts.

Extension of Timescales

If an extension of any of the timescales above is required, the Purchaser will notify the Vendor in writing at the earliest opportunity and the Vendor can at its sole discretion grant an extension to the timescales. Should an extension of the timescales be agreed between the parties and go beyond 1 November 2024, the

Vendor shall commission a further valuation of the Purchase Price to ensure best consideration is still achieved.

Deposit

A deposit of 10% of the Purchase Price is payable upon exchange of contracts expected to be August 2024.

Professional Fees

Each party shall be responsible for the payment of their own professional fees incurred in the transaction.

Confidentiality

The Parties agree that the terms of this transaction shall remain confidential between the Parties, but that an agreed communications strategy will jointly allow the public announcement of the disposal in due course.

3.2 The Heads of Terms details additional Conditions and Timeframes to allow the Grant process to be undertaken. The Purchaser has confirmed the following in addition to these:-

- If they can work through the Grant Process more quickly they will
- If they are unable to secure permission to undertake tree planting, and so obtain the Grant, they would withdraw.
- If they still don't know in this timeframe and specifically by 31 July 2024, they would contact the Council to request an extension to the Timescales, but otherwise they would expect to have to withdraw.
- If they do confirm by 31 July 2024 that all the permissions are in place, they would expect completion based on the agreed Heads of Terms and Timescales therein.

4. Best Consideration

4.1 The Council is under an obligation to ensure that any offers for properties represent "best consideration" in accordance with Section 123 of the Local Government Act 1972 (as amended). The land sale price agreed and detailed within Appendix 1 is subject to independent valuation to confirm it complies with such an obligation.

4.2 The proposed approach also takes account of the Council agreed Asset Disposal Policy which enables sales by way of private treaty or negotiated disposal where there are compelling reasons to treat with a purchaser such as the nature of the sites and the identified parties' status as a special or unique purchaser. The Council's Monitoring Officer has confirmed that this is the case in this disposal.

4.3 The value of the disposal means this is a decision for Cabinet in accordance with the Asset Disposal Policy agreed by Council in March 2023.