

NAILSEA TOWN COUNCIL

A meeting of the Nailsea Town Council will be held on Wednesday
27 July 2016 at 7.30pm at The Tithe Barn.

AGENDA

Please turn off mobile phones before the meeting

1. Apologies
2. Declaration of Interests
3. Chairman's Remarks
4. Public Participation
5. Confirmation of the minutes of the meeting held on 22 June 2016 - **encl**
6. Presentation by Matt Regan and Chris Dolling from Barratt Homes
7. Consideration of the Heads of Terms for the proposed sale of land at Engine Lane, excluding the quantum of the gross and net sale price, see Clerk's Report and draft Heads of Terms and summary of 'abnormal' costs - **encl**
8. **Confidential Item:** to consider the gross and net price for the proposed sale of land at Engine Lane, the costs of meeting Sport England's requirements and the costs of lifting the restrictive covenant - **encl**
9. Questions asked under Standing Order 25
10. Any Other Business



Ian Morrell – Town Clerk
Tithe Barn, Church Lane, Nailsea BS48 4NG

20 July 2016

NAILSEA TOWN COUNCIL

Minutes of the Town Council meeting held on Wednesday 27 July 2016 at 7.30pm in the Tithe Barn, Church Lane, Nailsea.



PRESENT: Cllr Packham in the Chair, Cllr Barber, Cllr Barclay, Cllr Bird, Cllr J Blatchford, Cllr M Blatchford, Cllr Heappey, Cllr Holt, Cllr Hunt, Cllr Jameel (from 7.33pm), Cllr Lees, Cllr Middleton, Cllr Petford, Cllr Phillips, Cllr Ponsonby, Cllr A. Tonkin, Cllr J.Tonkin, Cllr Wilson, the Clerk and Senior Administrator.

86/16 APOLOGIES were received and accepted from Cllr Frappell and Cllr Hamblin.

87/16 DECLARATIONS OF INTERESTS
None.

88/16 CHAIRMAN'S REMARKS

Cllr Packham explained to Councillors that Public Participation had been brought forward on the agenda and asked if anyone had an objection to this. No objections were raised.

He addressed the public and asked that speakers state their name and requested that comments made at previous meetings were not repeated.

Cllr Packham said that there would be a further opportunity for the public to make comment after agenda item 6.

Cllr Jameel arrived at 7.33pm.

89/16 PUBLIC PARTICIPATION

Antony Evans said that as a resident he wanted to ensure that if the land was sold he would do his best to see that the Council, town and residents got the best deal and so had some observations on the draft Heads of Terms document.

He said that many costs would be deducted from the purchase price as well the overage payment and asked if the Council had worked out actually how much it would receive for the precious land.

Mr Evans referred to paragraph 19 of the draft Heads of Terms and said it suggested that if the terms were agreed the Council would be virtually committed to a contract.

He advised that only if every councillor was sure they had the technical knowledge and had sought the relevant legal advice to understand all the clauses of the document should they agree to the deal. He said that if Councillors were in any doubt they should not vote in favour so as not to tarnish the Council's reputation by acting in haste and not thinking things through.

Mike Horler of Engine Lane said that in addition to the costs already referred to, the cost of purchasing the land in the first place, the loan to do this and surveys and options for the possible leisure use previously undertaken should be taken into account and he assumes they will be taken off of the purchase price.

He asked if Capital Gains Tax or any statutory duties would need to be paid on the sale of the land.

It was confirmed by the Clerk that Capital Gains Tax was not payable as any body which can raise a precept is not required to pay this.

Matt Thomas said he noted from the Clerk's Report that the Town Council needs to make the best use of its assets but asked how the proposed sale could be considered best use given the overage payable now would be much more than on a sale at a later date.

Cllr Packham said the Council would bear this in mind as they worked through the agenda.

90/16 MINUTES of the meeting of the Town Council held on 22 June 2016 were considered.

Antony Evans requested that it was made clear in the third paragraph of minute 71/16 that it was the Clerk who circulated the email from Mr Evans, rather than Mr Evans himself.

Paragraph 4 of minute 78/16 makes reference to Cllr Blatchford commenting on Station Road Car Park, which should be Cllr Barber.

Cllr Holt referred to the working party mentioned in paragraph 5 of minute 72/16. She asked for it to be made clear that the meeting did not comprise the working party.

Cllr Packham explained that he and the Clerk had attended the meeting; Cllr Hunt had been unable to attend.

The above changes were agreed.

91/16 PRESENTATION BY MATT REGAN AND CHRIS DOLLING FROM BARRATT HOMES

Matt Regan explained that on 13 July Barratts had held a workshop with the Town Council and some representatives from Nailsea Action Group on their proposals for the site. They were here tonight to respond to some of the queries that arose.

Chris Dolling introduced himself as a Designer and Planning Manager for Barratts Bristol.

In response to the question of where the 132kv electricity cable would be routed Chris referred to the Constraints and Opportunities drawing which shows red dots to the South and East boundaries as the the route (zone of deviation) should the power lines be undergrounded if Hinkley Point C goes ahead.

In relation to concerns around possible congestion on the roads Chris explained that their Transport Consultant had undertaken a TRICS analysis and no unacceptable impact was identified on the local or wider highway network. Further consideration

may need to be given to the potential impact on the junctions of North Street/Engine Lane, St Mary's Grove/Engine Lane and Hannah More Road/Blackfriars Road/Queens Road.

Mini roundabouts had been considered at the end of Allington Gardens and Worcester Gardens but the Highways team suggested this could create a racetrack as they are only painted onto the road. They are concerned that the flow of traffic is protected and the character of Engine Lane is not changed. Mini roundabouts are likely to cause too much of an infrastructure change for North Somerset Council to agree to.

Referring to the Layout Strategies drawing Chris showed the primary, secondary and tertiary roads and explained their design would ensure safety and help people to navigate their way around the site.

The Open Spaces plan uses the existing landscape and a ditch which is of ecological value. Barratts are still looking into the detail of drainage.

Chris advised that the two ponds would be wet ponds in addition to a dry swale in the north, as a need for a wetland feature had been identified.

The play areas have been designed as one for toddlers and another for juniors; teenagers have not been catered for in the plan. Chris explained that they have seen examples in areas similar to Nailsea where there are other 'cooler' places for teenagers to go and so in this context they have not included provision for them at this stage.

The layout plan proposed by Barratts offers different housing styles around different streets to keep the site interesting and varied. It also helps people to identify where they are as they move around.

The request to ensure house sizes cannot be increased after sale goes against policy and a government directive to design for adaptability, but Barratts understand the Council's wish to maintain a mix of property sizes. They have designed homes with garden sizes to reflect the number of residents intended for the particular dwelling and the footprints are appropriate to the number of bedrooms.

Barratts were asked at the workshop what the housing mix was and if it met Nailsea's housing policy. Chris said that the mix meets the Town Council's Housing Mix Policy. The scheme is 5% 1 bed, 27% 2 bed, 49% 3 bed and 19% 4 bed properties. He felt it was the type of housing the town needs for the future.

Rear parking is not something that Barratts wants to promote as people like to park close to their front door, resulting in street parking and unused rear parking courts. There are no driveway entrances onto Engine Lane.

Barratts are looking to mirror the setback distance of houses from the road as on the other side of Engine Lane and keep the width of the road the same to maintain the character of the area.

Chris advised the housing types and a map of their locations within the site could be seen in detail in the booklet and large scale plan on display in the entrance of the Tithe Barn. When considering the materials used they have taken into account the varying materials already found in Nailsea. Feedback from the workshop was that buff coloured brick and red tiles were not favoured. He explained that grey and brown roof tiles, seen predominantly in the town, would be used and buff coloured bricks would only be used in detail areas. Consideration has been given to the height of homes and taller buildings have been placed near to the central open space to enclose it.

Barratts reported the water main would be diverted past the open space and out of the site to the north. The proposed redirected footpath within the site would enable access through and could be seen on the plans as a yellow dotted line.

Cllr Heapey asked why there had been no mention of West End, Chelvey Lane or Netherton Wood Lane as commuters were likely to be using these roads to access the M5 and A370, making them dangerous.

Chris said that the Scoping Report had not highlighted this but they would take this information back.

Cllr J Tonkin said there needed to be an over provision for parking to prevent situations such as can be seen in Portishead's Village Quarter and Port Marine.

Chris explained that that they have allowed 2 parking spaces for a 2 bed property, 2 spaces or 1 space plus a garage for a 3 bed property and 3 spaces for a 4 bed property. A standard garage size is 6 x 3 metres and they have allowed 7 x 3 metres ensuring space for cycle storage as well as a car.

Cllr J Blatchford asked if 20mph speed restrictions could be considered for the area despite North Somerset not being in favour of them. In his opinion the traffic on Youngwood Lane is already too fast and has not been thought about.

Chris said that the junctions mentioned earlier were identified by North Somerset Council for Barratts to consider but they could also look at this suggestion.

Cllr Middleton said that the balance of the housing mix needed to shift, so that there was an increase in smaller sized 3 bed homes and decrease in larger sizes. Small 3 bed properties are more popular with young families than 2 beds, to provide a box room for occasional use or for children.

Cllr Holt said she agreed with Cllr Middleton but thought the ratio had changed and more 2 bed were required to meet the town's needs.

The meeting adjourned at 8.10pm.

Antony Evans asked where the gas main was shown.

It was explained that it is not within the boundary of the proposed site.

Mr Evans asked why it was thought painted mini roundabouts would not act as a marker to slow speeding traffic.

Chris Dolling said that the black arrows on the plan showing the access points to the proposed development would be offset and roundabouts have to be on a straight road.

It was clarified that Mr Evans was referring to trying to slow speeding vehicles using Engine Lane but Chris had been making reference to vehicles speeding within the proposed site.

Mr Evans asked how wet the wet ponds would be.

It was confirmed that they would be wet all year, at least a metre deep with water.

Vicky Dudbridge commented that three bed properties in this part of Nailsea would be expensive and that two bed properties would be more affordable.

Matt Regan said that to be consistent with Town Council requirements they had moved away from large executive homes but they had to consider where the market is and felt the mix proposed was a good balance. There were fewer larger properties than they would normally include. He said that the location of new homes within Nailsea was unlikely to have a bearing on retail price.

It was clarified there were no private 1 bed properties to be provided in the scheme. Cllr Packham said developments of 1 and 2 bed properties already existed in the centre of town.

Matt Regan said that 1 bed properties for 1 or 2 people located on the edge of town was not ideal for those without transport, but they must be included to meet housing policy requirements.

Matt Regan said the pylon to the west of Nailsea was due to be undergrounded with National Grid's Development Consent Order (planning consent) permitting grounding through the proposed site. The plan indicates the zone of deviation.

Jacqueline Williams of Engine Lane said extra traffic of around 300 cars would be using Engine Lane with two unsighted bends. She said the entrance to the site was practically opposite these bends. She was concerned for mothers using the one pavement to walk their children to school and felt 20 mph should be enforced on the roads around the proposed development.

Chris Dolling responded that the National Planning Framework states the impact on the road network would have to be severe to require further measures and both the planners and North Somerset Council have indicated the impact would not be severe.

He explained that the junctions to the site have been designed so that visibility splays conform to planning requirements.

In relation to concerns over the walkways Chris said the footpath has been planned to run inside the hedge for safety and to preserve the character of Engine Lane.

Cllr Packham said the concern over the impact on Engine Lane and traffic was taken on board and would be considered by North Somerset Council if a planning application was submitted.

Colin Fraser of Allington Gardens said that the Town Council state there are enough 4 bed houses in the town already so asked why there were any 4 bed homes on the plan as these were not starter homes.

Cllr Packham said that Nailsea Town Council's policy, which has been adopted by North Somerset Council, states 4 bed homes are needed, as to preclude them completely from any development was not reasonable.

A member of the public added that she thought by having some 4 bed homes it would create a broad mix and maintain the affluence of the area.

Diane Wheeler of Engine Lane asked for clarification over which housing mix policy was being referred to.

Cllr Packham and Chris Dolling explained that the open market properties mix was led by Nailsea Town Council's Housing Mix Policy but the affordable housing requirement is to be guided by North Somerset Council.

Diane Wheeler said the whole justification the Town Council gave for selling the land for housing was to bring more young people to Nailsea but 70% of the housing planned is 3 or 4 bed, therefore the whole purpose and justification provided doesn't make sense. She asked if there was a timescale for the development.

Chris Dolling said that to draw up a planning application would take around 2 months, 3 – 4 pre application meetings would be likely to take 2 or 3 months. North Somerset Council allow a 13 week period for the application to run and if granted a legal agreement with Nailsea Town Council would take between 4 and 13 weeks to draw up. There may be some conditions to address pre-commencement as well.

A resident of Engine Lane said that it had been widely reported that Barratts own enough land to build 450,000 houses so asked what attracted them to this small piece of land.

Matt Regan understood this to be a reference to Barratts Group but explained he worked for Barratts Bristol who do not have near that figure in their landbank. They aim to control land for a maximum of a 3 year period and a site such as Nailsea would have a target of delivery in year three. Nailsea was attractive to them as it is in their area, is a key town in North Somerset, will help meet their targets and goals and has a need for housing now.

Cllr Ponsonby said she had listened to everything this evening and the next item on the agenda was consideration of the Heads of Terms agreement. In light of item 19 of the Heads of Terms which suggested that following a decision to proceed at the

meeting, a contract would be expected within 8 weeks, this was the night a decision was being made on whether to sell the land or keep it in perpetuity for the people of Nailsea. At the last meeting the wording of her proposal was withdrawn from the minutes of 25 May and she understood she could now make her proposal again.

Cllr Packham explained that the meeting was still closed and if she wished to make a proposal Cllr Ponsonby should do so within the next agenda item.

Cllr Barclay asked if looking at the broader picture, the traffic consultants had advised on the already overcrowded roads in town such as Silver Street, St Mary's Grove or the roads to Chelvey.

Chris Dolling explained that for the Highways Scoping report, they contacted North Somerset Council who identified any roads in the vicinity of the site that their development could impact on. If they get to pre-application meetings with North Somerset Council further talks with the Highways Officers will be undertaken.

Cllr Barclay said he felt it was up to the Town Council to put pressure on the District Council to look at these areas.

Vicky Dudbridge said she understood the target market for these homes was families but asked if there were enough school places for more children.

Cllr A Tonkin responded and explained she was the Chair of Governors at Hannah More School. She said that Hannah More has a planned intake of 60 pupils as do other schools in the area, other than Kingshill which has 45. This year 51 children will be joining the school and next year it will be fewer. The schools in Nailsea are not full. It is North Somerset Council's responsibility to ensure every child has a school place and they will either increase the capacity of a school or build a new school.

Val Smith asked if the development went ahead, how anyone could be certain that at a future date a 2 bed would not turn into a 4 bed home.

Barratts responded that it was very difficult to change a 2 bed home into a 4 bed.

Matt Thomas said that the proposed ransom strip on the perimeter of the site should never be sold.

The meeting reopened at 8.42pm.

Matt Regan and Chris Dolling left the meeting.

92/16 CONSIDERATION OF THE HEADS OF TERMS FOR THE PROPOSED SALE OF LAND AT ENGINE LANE, EXCLUDING THE QUANTUM OF THE GROSS AND NET SALE PRICE.

Cllr Ponsonby said that she wouldn't repeat her earlier comments but in light of the wording of the draft Heads of Terms, Barratts would endeavour to get a contract signed within 8 weeks. She proposed that before agreeing to take a binding step the Council should consult with the people of Nailsea and ask them if they wanted it to

sell an asset belonging to them, and if so what they would like the Council to do with the money.

Cllr Barclay seconded the proposal.

Cllr Middleton said he opposed the proposal on grounds of principle. The public were not consulted when the land was bought or any other purchase. As Councillors they are elected to make decisions on the best interests of the residents of Nailsea. If the Council didn't ask if residents wanted the land bought he didn't understand why it would ask if they wanted it to sell it although he did agree with asking what residents wanted the money to be spent on if the land was sold.

Cllr Hunt said she felt families in the town would have opposing views and going ahead with the proposal could create disharmony. Residents will understand that a difficult decision has to be made but that it is being made to provide homes in the town. Any money would be well used but the land cannot be used for the reasons intended when it was bought. At the time people voted against doing things with the land who are now opposed to selling it. Although it was not what she wanted originally Cllr Hunt said she was now convinced that homes are needed and this is what the Council should do.

Making reference to the Clerk's Report which advises that a Town Council has a responsibility to make best use of their assets, Cllr Blatchford said that looking at the whole picture he thought that there could not a worse time to do this. It was an economic certainty that there will be inflation and with 9000 jobs possibly being created at Hinkley he wondered if the Council could be sure the right type of houses were being planned. He added that on average parents in North Somerset were in their early 30's not in their 20's. In a 2 bed house a family with a boy and girl would find themselves in an overcrowded situation as the children got older.

Cllr Barclay explained his position. He feels that the proposed development is in the wrong place but North Somerset Council refuse to review the Green Belt now and when they do it will be too late. As a Planner he felt a development on Engine Lane was the wrong decision.

Cllr Heappey suggested that as the public were present they could vote in a straw poll.

Cllr Petford said that most people present at the meeting lived in the immediate area so it was not a representative mix of residents.

The Clerk asked for clarification on whether the proposal was to consult with the town before the Heads of Terms were agreed which was not a contractually binding document, or before a contract was signed.

Cllr Ponsonby said that tonight the Council would be making a decision about going ahead with the Heads of Terms and in 8 weeks Barratts would expect a contract.

Cllr Packham explained that a contract would have to be brought back before the Council to agree.

Cllr Ponsonby said the land was bought in perpetuity for the people of Nailsea and she understood the reasons the Council may want to sell, however it is a big decision and there is a need for the residents to tell the Council it is making the right decision.

Cllr Middleton suggested splitting Cllr Ponsonby's question into two parts; 1) What should be done with the land, and 2) What should be done with the money.

Cllr Ponsonby said that the proposal was to ask residents if they wanted the land sold and if so what do they wanted done with the money.

Cllr Hunt pointed out that the second part was already being included in the consultation later in the year.

Cllr Wilson said that if the Council doesn't sell, other areas of land in the town such as the Uplands will become open for development. 1100 homes are planned for Nailsea and the Town Council is not its own master. He didn't agree with it at first but now he has changed his mind.

Cllr Lees said a referendum would be costly. As Councillors they have been elected over 5 wards and all Councillors will have consulted with residents. He said the town desperately needs housing. It is not until a contract is prepared that a final decision needs to be made, which is likely to be 3 - 6 months away.

A vote was taken on Cllr Ponsonby's proposal which was clarified as

To consult with each household in the town on whether to sell the land at Engine Lane for housing.

The vote was 6 in favour and 11 against with 1 abstention.

Referring to the draft Heads of Terms Cllr Middleton said that section 19. stated 8 weeks from a decision on the terms Barratts would look to move to signing contracts. He believed further debate would be needed before signing contracts.

Cllr Heappey said she was unhappy with the potential impact on roads to West End and the Causeway and this needed looking at before there are any fatalities.

Cllr Lees said that if North Somerset Council doesn't think the potential traffic issues have been addressed they will not approve a planning application.

Cllr Wilson said North Somerset Council will not build new roads in Nailsea despite the requirement to build over 1100 homes.

Cllr Bird left the meeting at 9.05pm.

Cllr Middleton said that representation could be made to North Somerset Council about transport infrastructure.

Cllr M Blatchford said that there will be more houses in Nailsea and if they are done piecemeal the town will not get the roads.

Cllr Packham advised that the Town Council had asked North Somerset Council to consider infrastructure time after time and it seems clear they are not considering a strategy for Nailsea as a whole.

Cllr M Blatchford said this was only the officers' opinion.

Cllr Packham suggested she could take the matter back to the Executive Committee.

Cllr Phillips noted that no allowance had been made for Community Infrastructure Levy (CIL) within the purchase price and was concerned that it could be introduced within the lifespan of negotiations and a planning application.

Gordon Isgrove of Bilfinger-GVA explained that a S106 Agreement places a negotiable financial cost against a planning application. If CIL is in place before Barratts obtain the land it is non-negotiable. There is provision in the terms to allow for that being introduced. Some items covered in CIL are already covered within S106, some at a lower value. He felt the figure provided was a fair reflection of the likely cost. Timing is likely to be around 6 months but neither Barratts or Nailsea Town Council have total control over things.

Cllr J Blatchford asked what would happen to the overage if the index is negative.

Gordon said this would be at Barratts' risk.

Cllr Middleton asked when the purchase price was payable, timescale and why the overage in the Heads of Terms was not 50:50.

Gordon explained that payment was at legal completion.

Cllr Packham said it had been reported to him that the scheme has board approval and also the 50:50 ratio was their final position. It was confirmed that all parties are in line with the payment timescales, including the original owners of the land who would be due the overage.

There was discussion around the £15,000 legal costs and the Clerk advised that in effect the Town Council and other owners were paying their own legal fees but the arrangement described in the Heads of Terms whereby Barratts pay and the cost is then taken off the land cost, helps cash flow for the other landowners.

Cllr Packham said that in order to get legal answers and develop a contract it would need to be agreed to ask Clarke Willmott to develop a contract.

Cllr Middleton felt that perhaps 2 further meetings would be needed with Barratts before looking closely at a contract but things shouldn't stop and drafting of the contract should continue until then.

Cllr Ponsonby thought any further meetings with the lawyers should include Cllrs Lees and Phillips in addition to the Chairman and the Clerk.

Cllr Petford thought it had been made clear to Barratts at the workshop that more smaller properties were preferred and this had not been reflected in the plans.

Cllr Jameel felt that the phrasing of paragraph 19. of the draft Heads of Terms placed a bias on agreeing to sell the land and was not neutral.

Cllr Lees was uncomfortable with the 8 week period stipulated in paragraph 19. of the draft Heads of Terms and said it was impractical.

Cllr Middleton responded that it said 8 weeks from the deal and a deal hasn't been approved.

It was proposed by Cllr Lees and seconded by Cllr Jameel

RESOLVED: to remove the whole of paragraph 19 from the draft Heads of Terms.

The vote was 12 in favour and 2 against with 3 abstentions.

Gordon Isgrove did not feel the removal of this paragraph would be an issue, it is just something normally included to help focus both parties on moving forward.

The meeting adjourned at 9.28pm.

Tony Warren of Nailsea and Backwell RFC spoke to say that the club had discussed the proposals with the Town Council and were supportive of it. From the club's perspective it would enable them to expand. The club does not have Trustees but the members agree, based on the information they have had so far. There may need to be a further vote on the final proposal.

The meeting reopened at 9.38pm.

It was proposed by Cllr Packham and seconded by Cllr Middleton

RESOLVED: to agree to Clarke Willmott drafting a contract based on the Heads of Terms, excluding paragraph 19.

The vote was 12 in favour and 5 against.

Cllrs Ponsonby and Holt left the meeting at 9.43pm and the meeting adjourned briefly.

The meeting re-opened at 9.48pm.

93/16 CONFIDENTIAL ITEM

To consider the gross and net price for the proposed sale of land at Engine Lane, the costs of meeting Sport England's requirements and the costs of lifting the restrictive covenant.

Pursuant to section 1 (2) of the Public Bodies (Admissions to Meetings) Act 1960 it was

RESOLVED: **that because of the confidential nature of the business to be transacted, the public and press leave the meeting during consideration of the above. The meeting therefore closed at 9.49pm.**

The meeting reconvened at 10.02pm.

94/16 QUESTIONS ASKED UNDER STANDING ORDER 25

None.

95/16 ANY OTHER BUSINESS

Cllr J Tonkin reported that he had received an email from Richard Simmons of 2nd Nailsea Scouts to say Martin O'Neill of North Somerset Council had accepted an offer of £10,000 for the freehold of the Scout Hut.

The meeting closed at 10.05pm.

Chairman's signature: _____ Date: _____

Heads of Terms

Subject to Contract

19th July 2016

Property

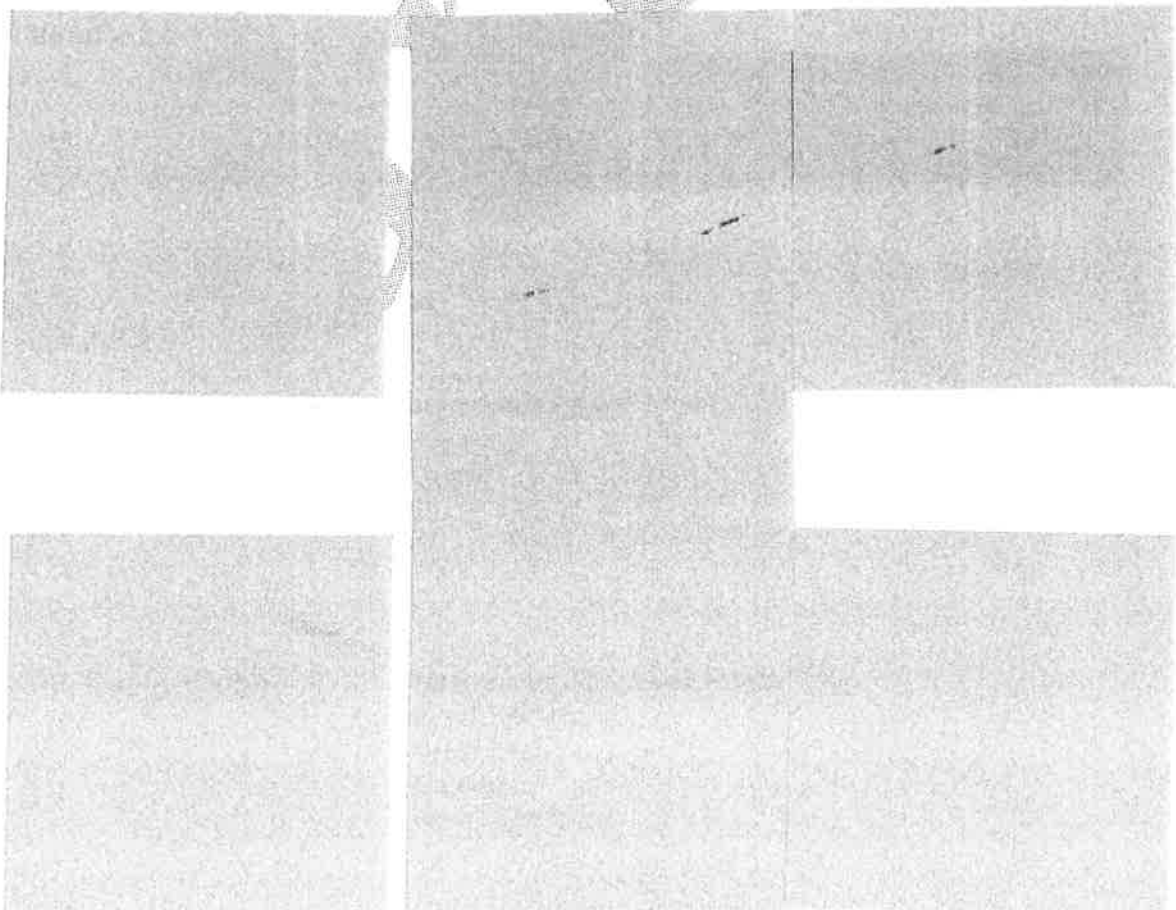
Land off Engine Lane, Nailsea.
Title numbers ST202738, AV234681, ST308200 and
ST283851
See attached plan.

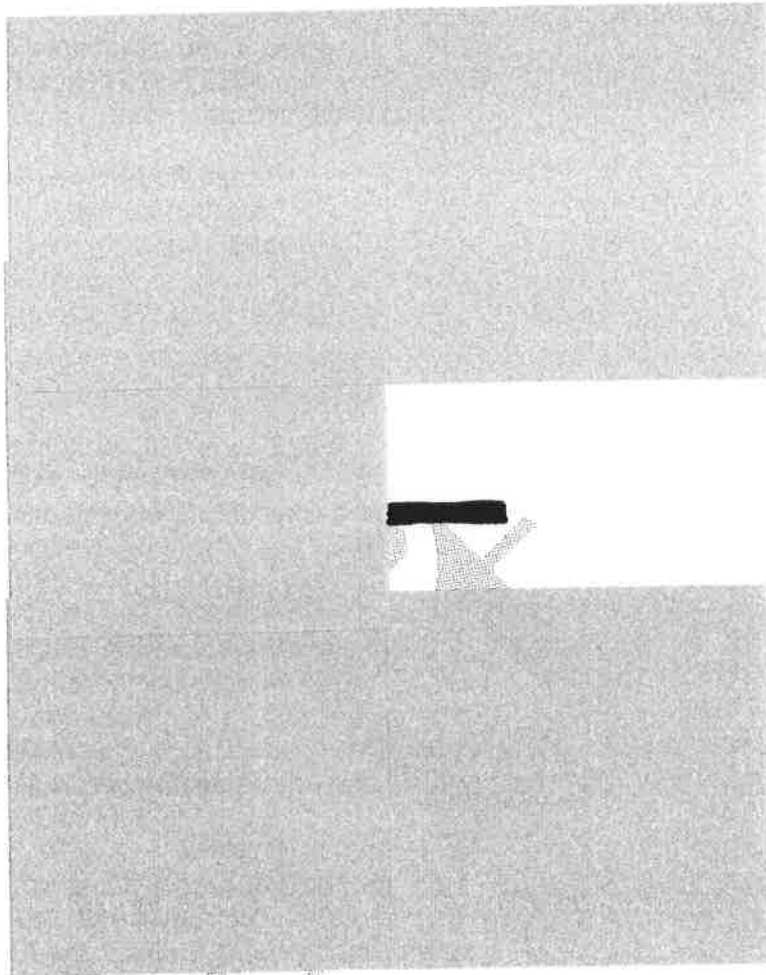
Vendors

Vendor 1

Nailsea Town Council
Tithe Barn
Church Lane
Nailsea
North Somerset
BS48 4NG

Contact: Ian Morrell
T: 01275 855277
E: clerk@nailseatowncouncil.gov.uk





Proposal

The purchaser will enter into a conditional contract and will be obliged to pursue residential planning permission in accordance with the attached masterplan working in partnership with vendors to optimise the development opportunity.

The purchaser will pursue a planning application for residential development including the Vendors land [REDACTED]

The development will be high quality and sympathetic to the local vernacular, provide on-site open space and play space.

Equalisation

Equalisation will be applied to the purchase price in accordance with the gross acres of each party's ownership as identified in the table below.

Ownership	Area (acres)	% of total
Nailsea Town Council	13.92	75.73%

[REDACTED]		
Total	18.38	100.00%

(Areas being accurately measured by Barratt to verify).

Purchase Price

[REDACTED]
equalisation

Refundable Deposit of 1% upon exchange of contracts held by the purchasers solicitor as stakeholder

Remainder of purchase price;
49% upon completion (deposit becomes non-refundable)
50% 18 months after completion

Purchaser to serve notice to the Vendors and their advisors two weeks following expiry of judicial review period to confirm planning permission is implementable (or if is not why not) and completion will follow within 28 working days thereafter.

The purchaser will require Board Approval for this purchase prior to exchange.

Allowable Deductions

There will be allowable deductions from the purchase price to take account of CIL contributions and S106 costs. No allowance has been made for CIL within the current purchase price. An allowance of £985,000 has been made within the purchase price for S106 contributions [REDACTED]

[REDACTED] The purchaser will be obliged to use reasonable endeavours to negotiate with the local planning authority to reduce the S106 costs.

Savings or additional costs shall be deducted or added to the purchase price respectively.

All other abnormal costs are accounted for within the Price and there will be no further deductions. [The purchaser will complete due diligence and clarify other deductible abnormal costs prior to exchange. Outstanding cost items include (assumption to be ratified in brackets):

- o Archaeology: Geophysical Survey to confirm cost assumption (£94,000)
- o Ecology Mitigation: Surveys ongoing (£0)
- o Services: requisition costs for foul strategy (£0), high pressure water main diversion and

- infrastructure costs (£0) and grounding/diversion quote for HV 33Kv cable (£75,000)
- Pylon Grounding Route: confirmation of route (£0)
- Pitch Drainage: soakaway testing in May (£5,000)]

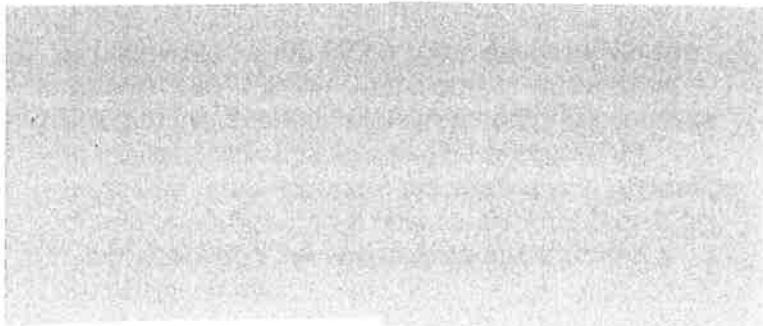
Overage

Increase in the net sales revenue achieved on private residential plots over the threshold of £310 psf subject to indexation against BCIS South West Estate Housing from date of the agreement, shared 77.5:22.5 with the Purchaser and Vendors. The Vendors share to be distributed in accordance with their respective Equalisation share payable at completion of the development, subject to appropriate safeguards for the Vendors to ensure overage is not withheld.

The overage shall be secured by way of Parent Company Guarantee.

Conditions & Detailed Provisions

1. Subject to contract.
2. Subject to receipt of an implementable planning permission for a residential development as described above.
3. Confirmation from the Environment Agency and the Statutory Undertaker that the proposed drainage strategy is acceptable.
4. Confirmation that the proposed Hinkley C pylon grounding route is acceptable to National Grid. Any land value loss compensation payable by National Grid or their nominated contractor, is to be distributed to back to the Vendors, less the cost of negotiation and in accordance with their respective Equalisation share. The Purchaser shall not be obliged to seek compensation.



6. A single conditional contract is to be entered into by the Vendors (identified on the attached plan).

7. The Vendors will be required to agree the division of the proceeds in the form detailed herein.



9. The Planning Application will conform to the Nailsea Town Council: Housing Type and Mix Policy, approved at Town Council 26 March 2014. The purchaser will covenant in the transfer to complete the development in compliance with the House Type and Mix Policy 26 March 2014 and also that any sale of part or all of the land procures the new purchaser to covenant directly with the vendors to do the same as a title restriction.

10. The proposed layout, house types and elevations are appended to the heads of terms and any amendments to these are to be approved by Vendor 1. A design code to be agreed and the planning application to be approved by the Vendors to ensure it meets quality and housing mix (as identified in point 9), consent not be unreasonably withheld or delayed and in any event within 10 working days. The development will adhere to Barratt Homes Build for Life 12 guidelines, which is attached.

11. All reports associated with the Planning Application will be in joint names with the Vendors and the Vendors will have the right to use the reports in the event the Purchaser does not complete.

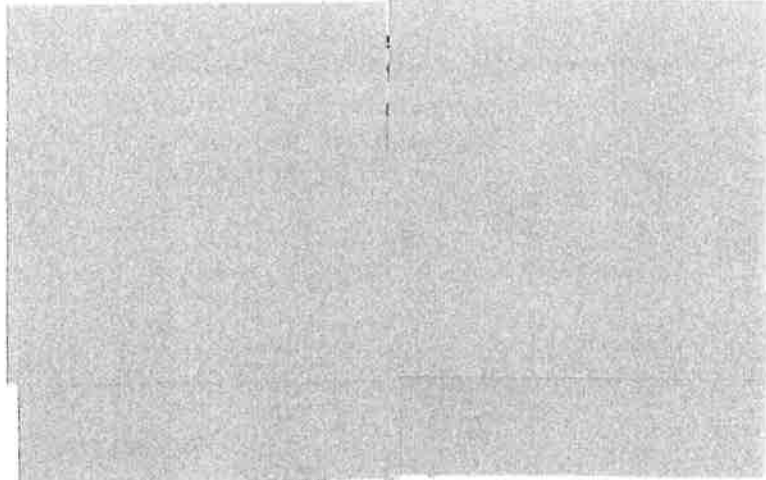
12. Vendors to provide vacant possession upon completion.

13. The Vendors are to provide a title free from restriction and overage provisions as a pre-condition to their satisfaction (not be unreasonably withheld or delayed) including,:

- a. Vendor 1 to apply to remove restrictive covenant in favour of Avon County Council(now with North Somerset Council) and to align with the sale prior to exchange of contracts . A planning application will not be submitted until the principle of agreement for removal is made and restriction removed prior to completion. Cost of removing

restrictive covenant will be the responsibility of Vendor 1.

- b. Vendor 1 overage provision associated with former owners of title number ST202738 to be removed by the vendor at the cost of the vendor prior by completion. Vendor 1 to agree overage provision and align with the sale prior to exchange of contracts. Cost of removing overage will be the responsibility of Vendor 1



- 15. The following timescales are proposed from exchange of contracts: 6 months to prepare and submit a detailed planning application. 18 months to achieve a planning permission. The contract is extendable by 12 months if a Resolution to Grant has been issued and the S106 is being negotiated, with a longstop of 36 months from exchange. An appeal to be made if application refused (or not determined) unless advised by counsel appointed jointly by the parties that the prospects of a successful outcome are less than 60%. All appeal costs are deductible from the purchase price up to a cap of £100,000.
- 16. If the purchaser is awaiting the result of an Appeal or if the Appeal has been called in by the SOS before the longstop date occurs the contract will continue until the final decision is made and deemed satisfactory and is free from challenge subject to an absolute longstop date of 50 months from exchange.
- 17. Deferred payments shall be secured by way of a legal charge over the whole of the residential development, with 70 plots (representing 65% of the total number of units, to be adjusted in line with the total number of units consent achieved for) discharges and permitted releases to be made available upon request of the Purchaser. Releases

shall be provided in a timely matter. The vendor will notify the purchaser if there is a suspected breach and allow the Purchaser 10 working days to remedy the breach prior to calling on the charge.

18. The purchaser will use reasonable endeavours to complete the remaining technical due diligence to inform the land price prior to exchange of contracts, with the intention that the contract will not be conditional on any further due diligence (unless identified herein). Any further costs identified will not be deductible from the purchase price.
19. Use reasonable endeavours to exchange contracts 8 weeks post approval of the deal from Vendor 1 committee meeting on 27th July 2016. Agreement will be subject to approval from vendor's relevant committee meeting. A meeting between the appointed solicitors, agents, purchaser and vendors to be held 4 weeks following issue of draft contract.
20. A ransom strip to be placed along South and Western boundaries and placed in the ownership of all three vendors with a pro-rata share of any future revenue generated as per equalisation shares above. [plan required]

Purchasers obligations

The purchaser will be required to use reasonable endeavours to promote, optimise and diligently pursue detailed planning permission for a residential led scheme as identified above. The purchaser will work closely with the vendor in respect of negotiations associated with the section 106 requirements with the local planning authority and where possible direct such provisions for the benefit of the vendor 1 administrative area.

The purchaser is to liaise closely with the vendors and/or their advisors (with quarterly meetings or sooner if necessary) in respect of the planning application and any design/layout changes of the proposed scheme.

Vendors obligations

The format and content of all public announcements shall be agreed with the Purchaser in advance of release and not amended.

To support the negotiations with National Grid to achieve an agreed pylon grounding route which is satisfactory to the purchaser.

Costs

The purchaser will contribute towards the reasonable legal fees for Vendor 1, [REDACTED] of £15,000

payable upon exchange, subject to the collective group appointing a single legal representative. This sum is to be deductible from the purchase price.

Attachments:

1. Ownership Plan
2. Draft masterplan
3. Layout, elevations and house types

draft

ENGINE LANE: ABNORMAL COSTS

Item	Proposal at 24 May 2016	Comment	Status	Proposal at 20 July 2016
s106 and CIL	£985,000	Subject to negotiation with NSC	Active	£985,000
Water main diversion	£0	Wessex Water quotation, subject to back-up date.	Active	£228,595
Ecological mitigation	£0	Ecology Constraints Plan being prepared: wildlife corridors for bats and badgers.	Active	£0
Surface water drainage and foul connection	£500,488	Costs from Wessex Water. Storm attenuation fixed @ £91,000. Remaining figures to be confirmed.	Active	£500,488
Junior pitches, car park, footpath, floodlights	£293,551	Figure fixed except for £5,000 allowance re drainage.	Active	£293,551
Archaeological survey and mitigation works	£94,000	To confirm cost assumption.	Active	£37,500
Underbuild and retaining features	£198,913		Fixed	£198,913
Radon protection measures	£115,000		Fixed	£115,000
HV overhead cable diversion and sub-station	£95,000		Fixed	£121,000
Site clearance and dry stone wall enhancement / section	£50,000		Fixed	£50,000
Designated play areas x2	£110,000		Fixed	£110,000
30% Affordable Housing (inc 6x wheelchair units)	£0		Fixed	£0

£2,441,952

£2,640,047

Additional abnormal costs **£198,095**

Rugby Club extension	To be negotiated between NTC and Rugby Club	Active
North Somerset Council restrictive covenant	To be negotiated.	Active



CLERK'S REPORT

Agenda Item

7. Consideration of the Heads of Terms for the proposed sale of land at Engine Lane, excluding the quantum of the gross and net sale price

At its meeting on 25 May 2016 the Council agreed to continue negotiations and to report back to this meeting.

The Town Council is being asked to consider the draft Heads of Terms, which include a number of key provisions such as payment terms and the 'abnormal' costs which will be deducted from the gross offer price.

Separate to the Heads of Terms the Council also needs to consider the following:

- The cost and payment terms for the overage provision on the 10 acres of land known as Gaulacre.
- The cost of lifting the restrictive covenant on the four acres of land leased to Nailsea and Backwell Rugby Club.
- The total cost to satisfy Sport England's requirements for mitigation measures relating to the loss of the land leased to the Rugby Club as a sports facility.

The Heads of Terms is not a legal contract. It is an agreement in principle on the key terms of a contract, but if the terms of a contract cannot be agreed then the Heads of Terms, in itself, does not constitute a legal obligation. If the Town Council decides to agree to the Heads of Terms the major consequence is committing to the cost of legal fees to negotiate the contract in good faith. If a contract is not agreed these costs will be abortive. At its meeting on 2 March 2016 the Council approved the expenditure of up to £20,000 on legal fees to negotiate with Barratt Homes. To date no legal costs have been incurred.

In considering whether or not to sell the land at Engine Lane the Town Council has a number of factors to consider. As far as its obligations under various Local Government Acts are concerned, the National Association of Local Councils (NALC) have issued a Legal Topic Note (LTN 41, June 2016) entitled 'Responsibilities of Councils as Landowners'.

The document includes the following:

"Use of Council assets

8. Councils have a duty to make the best use of their assets in the interests of the local residents/tax payers. This is known as a fiduciary duty.

9. Councils are recommended to review unused and underused land. They should ensure that all land in their ownership is either in effective use for a public purpose or considered for disposal so that the proceeds can be used more effectively for the public benefit."

Regarding Engine Lane, this means that the Town Council has a responsibility to ensure 'best value' (in its broadest sense), from any disposal, but would also need to justify why it does not dispose of the land if the continuing use could be construed as an underuse of the land and therefore not being used for an appropriate public benefit. In other words, the Council has an obligation to justify its actions if it does, or does not, sell the land.