

NOT FOR PUBLICATION, AS CONTAINS EXEMPT INFORMATION, BY VIRTUE OF WHICH THE PUBLIC ARE LIKELY TO BE EXCLUDED FROM THE MEETING DURING THEIR CONSIDERATION, OF THE FOLLOWING DESCRIPTION(S) IN TERMS OF SCHEDULE 12A TO THE LOCAL GOVERNMENT ACT 1972: para 3 (information relating to financial or business affairs).

Additional advice for TEB re. report on Proposed Disposal at Newtown Works

The TEB has delegated authority, on behalf of the Council as shareholder in AIDC, to approve disposals of land which are within the approved Business Plan; but if a disposal is not within the approved Business Plan, then TEB must make a recommendation to the Cabinet. The Recommendation has been revised to reflect this.

The approved Business Plan considers various options or strategies for the development and disposal of the entire project including the residential and communal parts and does not necessarily require a specific Disposal Strategy to have been compiled and approved before any disposal can proceed. One such strategy considered in the Business Plan is to secure a “turn key” sale to a BTR operator or similar”, so this proposed disposal may well be in line with the Business Plan.

The approved Business Plan requires a market valuation of the land to be disposed of to be obtained. This has been obtained and is provided to TEB Members in the schedule to this report and the proposed disposal is in line with the market valuation.

As a matter of acting prudently in agreeing to the proposed disposal, the Council should first see and be able to rely on the results of the Due Diligence that AIDC will be carrying out. This will need to include ensuring that good value is obtained for the land disposed of (including that there is no ‘hidden’ state subsidy through selling at less than market value or on sub-market terms, and that the deferred s.106 contributions towards infrastructure have been factored in), and ensuring that the terms imposed by DLUHC on the Levelling-Up grant for the early stages of the development of the site are not breached. Therefore any final approval should be subject to this, and a delegated authority to approve the results of the Due Diligence is recommended.

Revised Recommendation to TEB

The TEB is recommended to:-

- I. Support the proposed transaction in principle, (whether or not it is within the approved Business Plan for the company).**
- II. Delegate to the Deputy Chief Executive, in consultation with the chair of TEB in his role as shareholder representative and the Solicitor to the Council, authority to approve the outcomes of the Due Diligence work to be carried out by the company, and such further Due Diligence work as he considers appropriate, and to approve the terms and conditions of the final transaction.**
- III. In the event that the final transaction is not within the approved Business Plan, the TEB recommends the above to the Cabinet.**

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