

OPEN

Finance Sub Committee

Date: 02 June 2025

Option Agreement – Land at Longridge, Knutsford

Report of: Peter Skates, Director of Growth and Enterprise

Report Reference No: FSC/29/25-26

Ward(s) Affected: Knutsford Ward

For Decision

Purpose of Report

- 1 The purpose of this report is to enter into a new Option Agreement with Dewscope Ltd to dispose of the land (outlined in blue and green on the attached plan at Appendix 1) at Longridge and North Downs, Knutsford.
- 2 The new Option Agreement and subsequent disposal will facilitate the development of Local Plan Site 38 (Land South of Longridge, Knutsford), which has an allocation for up to 225 dwellings, and generate a capital receipt for the Council. The owner of LPS38 (Dewscope Ltd) recently obtained Outline Planning Permission for the development of up to 225 dwellings on LPS38 via Planning Appeal (21/3100M – the Masterplan for the development is provided at Appendix 2).

Executive Summary

- 3 On the 10 October 2017, Cabinet considered a report exploring the potential for enabling access to LPS38 via Council owned land. The Cabinet report set out options and issues in respect of the Council owned land, being a thin strip of land subject to a covenant (referred to as the Green Land) and a block of amenity land (referred to as the Blue Land).
- 4 Cabinet approved the freehold disposal of part of the land delineated 'blue' on the plan annexed to a report dated 10th October 2017 (the Blue Land) and the land delineated 'green' on the same plan (the Green Land) for the purposes of facilitating access to LPS38, on terms to be agreed by the Executive Director for Place in consultation with the Director of

Legal Services, the Section 151 officer, the Cabinet Member for Finance and Communities, and the Cabinet Member for Regeneration subject as set out below.

- 5 The Cabinet decision was qualified in that the delegation was subject to adherence to the provisions of s123 of the Local Government Act 1972 regarding the proposed disposal of open space land. The intention to dispose of the Blue Land and Green Land was duly advertised in the local press pursuant to s123 of the Local Government Act 1972. The Portfolio Holder for Planning, Housing and Regeneration gave due consideration to all the objections and representations received and determined to proceed with the disposal as considered by Cabinet. As a consequence of that decision, negotiations were commenced with Dewscope Ltd in relation to the disposal of the Blue Land and the Green Land for the purposes of facilitating access to LPS38.
- 6 Dewscope Ltd and the Council subsequently entered into an Option Agreement in relation to the Green Land and Blue Land. The Option Agreement required Dewscope Ltd to submit a planning application and then to advertise LPS38 'For Sale' on the open market with the benefit of a planning permission, with the net sale proceeds shared between Dewscope Ltd and the Council in accordance with the detailed provisions of the agreement.
- 7 Even though Planning Permission has now been obtained (by way of Appeal) the Option Agreement has now expired and as such a new Option Agreement on similar terms is required.

RECOMMENDATIONS

The Finance Sub Committee is recommended to:

1. Approve the entering into the option agreement for the disposal of the land at Longridge and North Downs Knutsford.
2. Delegate authority to the Director of Growth and Enterprise to enter into an Option Agreement and subsequently dispose of the land at Longridge and North Downs, Knutsford on terms and conditions to be agreed in consultation with the Governance, Compliance and Monitoring Officer and the Executive Director of Resources (S151) and the Executive Director of Place; and
3. Delegate authority to the Director of Growth and Enterprise, in consultation with the Governance, Compliance and Monitoring Officer and the Executive Director of Resources (S151); to complete all legal documentation required in relation to the Option Agreement and disposal of the land at Longridge and North Downs, Knutsford and including (but not limited to) the completion of any licence or

similar agreements required prior to disposal or relating to the Councils retained land.

Background

- 8 LPS38 measures a total of circa 39.74 acres and is located off Longridge and North Downs, Knutsford, situated circa 0.5 miles to the east of Knutsford town centre on the edge of the settlement boundary.
- 9 The Green Land is circa 0.9 acres of land consisting of a thin strip of overgrown land running parallel to Longridge. The Blue Land consists of circa 6.6 acres of land and consists of grassland and hedges. It is proposed that only a small piece of this land would be disposed of.
- 10 The Green Land is open space, and the Blue Land is designated public open space. Although the Green Land is not designated as open space in the Council's Local Plan assessment, the nature and the customary use of that land is such that it is appropriate to treat the land as open space and consequently to consider the proposed disposition in the context of the statutory procedure for the disposal of public open space. The Blue Land is designated as Green Belt. The Green Land is subject to a covenant restricting its use as open space and should the Council dispose of this land the covenant would remain in place.
- 11 The Blue Land is included in the proposed disposal for the purposes of constructing an access road into LPS38 from Longridge. This is required to facilitate access into LPS38 because constructing an access road through the Green Land would breach the covenant restricting its use as open space. The Green Land is included to allow the developer of LPS38 to integrate amenity space and non-motorised user connectivity between LPS38 and Longridge. This will be subject to obtaining full planning permission.
- 12 Dewscope Ltd has agreed to minimise the amount of Blue Land required for the access road. The Council will retain the Blue Land that is not required for the access road. The Access Plan provided at Appendix 3 was approved in relation to the Outline Planning Permission (21/3100M), showing that only a limited section of the Blue Land should be required for the access road.

Consultation and Engagement

- 13 The Council has complied with the requirements of Section 123 of the Local Government Act 1972 by advertising the intention to dispose of the land for two consecutive weeks in the local press. This was undertaken in November and December in 2017. This allowed the local community an opportunity to comment on and make any representations in respect of the proposed disposal of Public Open Space.

- 14 The Council received a number of objections and representations in respect of the proposed disposal of Public Open Space. These were considered by the Portfolio Holder for Housing, Planning and Regeneration on the 5th of October 2018 and approval was obtained to proceed with the disposal of all or any part of the Green Land and part of the Blue Land.

Reasons for Recommendations

- 15 If the Option Agreement and disposal of the subject land is approved and the development of LPS38 is delivered, the following benefits (subject to full planning permission) could be achieved: -
- Circa 225 homes allocated under the Local Plan.
 - Provision of significant additional public open space.
 - Development of a sustainable and accessible residential site in Knutsford.
 - The developer would be able to design a scheme that enhances the overall provision and quality of public open space in the locality.
 - Replace the public open space land lost to enable access to LPS38; and
 - Deliver a capital receipt.

Other Options Considered

- 16 The Council could retain the subject land; however, this would not deliver the much-needed homes in the Borough.

Implications and Comments

Monitoring Officer/Legal/Governance

- 17 This report involves the disposal of land, and it is therefore necessary to ensure that the decision makers have the necessary authority to authorise the proposed transactions. Under the current Constitution dated December 2024 at Chapter 2-part 4 paragraph 2.2 the Finance Subcommittee have within their responsibilities the remit to consider property transactions which include the buying and selling of land.
- 18 In addition, it is necessary for all decision makers to ensure that they are not only empowered under the Constitution to make a decision but that they are also authorised under the Financial Procedure Rules to incur the financial consequences of the decision that they make. As this matter

involves the disposal of land it will be necessary to satisfy the Financial Procedure Rules contained in the Constitution at Chapter 3 part 4 paragraph 4.44, this states that the acquisition and disposal of land and property and other assets over £2 million is the responsibility of the Finance Subcommittee. Therefore, the Finance Sub-committee are duly authorised under the Constitution to consider the content of this report.

- 19 In accordance with section 123 of the Local Government Act 1972 the Council is under an obligation to obtain the best consideration reasonably obtainable upon the disposal of its Property.
- 20 The duty to obtain best consideration does not require the highest offer to be accepted, but it needs to take into account other factors such as any terms or conditions attached to the disposal which may identify a special commercial benefit to the vendor for e.g. covenants requiring the land to be used for a particular purpose. Each transaction should be assessed on its facts.
- 21 The General Disposal Consent (England) 2003 allows the Council to dispose of land at an undervalue provided that the disposal contributes to the achievement of; -
 - The promotion or improvement of economic wellbeing,
 - The promotion or improvement of social well-being,
 - The promotion or improvement of environmental well-being and
 - That the best price reasonably obtainable does not exceed £2m.
- 22 The Localism Act 2011 introduced the General Power of Competence, which allows the Council to do anything an individual can do, provided it is not prohibited by other legislation. These powers have replaced the previous well-being powers; however, the use of these powers must be in support of a reasonable and accountable decision made in line with public law principles.
- 23 The Council has a fiduciary duty at all times to the taxpayers and must fulfil its duty in a way that is accountable to local people.
- 24 If the Council were minded not to enter into a new option agreement with the developer, it needs to be aware that the developer may challenge the members decision, given that the Council has previously indicated it would sell the land and had been contractually bound.

Section 151 Officer/Finance

- 25 The sale of the land will generate a capital receipt for the Council and will reduce the maintenance liability on the revenue budget, although this has minimal impact against the maintenance budget.

Human Resources

- 26 For the recommended option, no additional human resources would be required.

Risk Management

- 27 A disposal of the subject site will support the delivery of circa of 225 residential units which is in line with Local Plan Site LPS 38 Land South of Longridge, Knutsford.
- 28 The disposal will ensure the Council receives a capital receipt. The Council has received valuation advice from its retained commercial agent in respect of this transaction, and it is considered that it represents the best consideration available and satisfies the duty under s123 of the Local Government Act 1972.
- 29 The disposal aligns within the direction of travel for assets and assists with the Councils budget position.

Impact on other Committees

- 30 No direct implications have been identified.

Policy

- 31 A disposal of the subject site will support the delivery of circa of 225 residential units which is in line with Local Plan Site LPS 38 Land South of Longridge, Knutsford.
- 32 The disposal will ensure the Council receives a capital receipt. The Council has received valuation advice from its retained commercial agent in respect of this transaction, and it is considered that it represents the best consideration available and satisfies the duty under s123 of the Local Government Act 1972.
- 33 The disposal aligns within the direction of travel for assets and assists with the Councils budget position.

Equality, Diversity, and Inclusion

- 34 An Equality Impact Assessment has been undertaken in respect of this matter. A copy can be seen in Appendix 4.

Other Implications

- 35 In terms of Public Health, providing good quality housing and living accommodation will benefit residents mental and physical wellbeing which could reduce demand on health and social care services, therefore there would be a positive impact on health and wellbeing of Cheshire East residents.
- 36 In terms of Climate Change, Dewscope Ltd or the developer will be responsible for complying with any climate change/energy efficiency requirements as part of the planning process.

Consultation

Name of Consultee	Post held	Date sent	Date returned
<i>Statutory Officer (or deputy):</i>			
Adele Taylor	S151 Officer	22/05/25	22/05/25
Janet Witkowski	Acting Monitoring Officer	22/05/25	22/05/25

Access to Information	
Contact Officer:	Lee Beckett Estates Lee.beckett@cheshireeast.gov.uk
Appendices:	Appendix 1 – Plan Appendix 2 – Approved Masterplan Appendix 3 – Access Plan

	Appendix 4 – Equality Impact Assessment
Background Papers:	<ol style="list-style-type: none">1. Cabinet Decision 10th October 2017 relating to sale of land at Longridge, Knutsford.2. Portfolio Holder for Housing, Planning and Regeneration decision dated 5th October 2018 relating to the proposed disposal of public open space land at Longridge, Knutsford.