

# Public Document Pack

## SOUTHEND-ON-SEA CITY COUNCIL

### Meeting of Cabinet

**Date: Monday, 29th April, 2024**  
**Place: Committee Room 1 - Civic Suite**

**Present:** Councillor T Cox (Chair)  
Councillors C Campbell, M Davidson (Vice-Chair), H Boyd,  
J Courtenay and D Garston

**In Attendance:** C Ansell, S Zeiss, A Richards, G Halksworth and R Harris

**Start/End Time:** 2.00 - 2.15 pm

#### **127 Apologies for Absence**

Apologies for absence were received from Councillors Buck, Lamb and Nelson.

#### **128 Declarations of Interest**

There were no declarations of interest at this meeting.

#### **129 Fossetts Farm, Land Transactions**

The Cabinet considered a report of the Executive Director (Environment and Place presenting an update on the Council's due diligence, the proposed transaction and the next steps in relation to the development of land ant Fossetts Farm. The report also sought agreement to proceed to the exchange of contracts for the updated transactional arrangements subject to the satisfactory (to the Council) completion of due diligence and a range of other conditions to secure the Council's, and related party interests.

Resolved:

1. That the current due diligence programme which is underway and which elements remain to be completed be noted and that the Council proceed to the exchange of contracts and completion subject to all due diligence being completed to the satisfaction of the Council, as explained in the submitted report, and subject to the simultaneous sale of Southend United Football Club to the Consortium.

2. That authority be delegated to the Executive Directors for Environment and Place and Finance and Resources (s.151), in consultation with the Leader of the Council and the Cabinet Member with responsibility for regeneration, subject to paragraph 10.3 of the submitted report, to agree any adjustments required to the transaction and to authorise the exchange of contracts, subject to:

- a) The completion of all due diligence to the satisfaction of those to whom authority is delegated above.
- b) The simultaneous sale of Southend United Football Club to The Consortium.

- c) a pre-exchange condition that CBRE/Merseyside Pension Fund consent to the Agreement for Lease and any other relevant elements of the transaction.
- d) Suitable contractual protection for the Council and the new owners of Southend United Football Club (POSU FC Ltd and COSU FC Ltd (parent company) that the payments from the landowner (currently Thames Plaza Plc) and the developer (Citizen Housing Ltd) totalling £20m from profit and land receipts, to be secured and invested into Roots Hall.

3. That it be noted that any development at Fossetts Farm will be subject to a new planning application and that the Council must remain unfettered in dealing with this through its statutory planning function as Local Planning Authority, through the Development Control Committee. This report relates only to the proposed financial and property transaction. The requirements on the applicant/related parties to enter into a planning agreement (s.106) to require the payment of £20m as above is also expected so that this is secured both in the land transaction, and through the planning agreement.

Reasons for decision:

1. To provide suitable protection and assurance for Cabinet and key stakeholders of the Council's intention to proceed with the transactions for Fossetts Farm, subject to the completion of all relevant due diligence and the security of suitable protections where required.
2. To provide certainty such that the sale of SUFC can proceed to completion with assurance that provisions have been made, beyond any s.106 obligations, for the payment of funds to The Consortium from the development profits at Fossetts Farm and that the expectation that these are also secured via s.106 (both at no cost to the Council or the taxpayer) is also noted.

Other options:

1. To opt not to proceed with the varied terms and to disengage in the negotiations. The exchanged agreement for lease remains valid however this is no longer deliverable with the change in ownership of SUFC and the need to separate Roots Hall and Fossetts Farm.
2. To support the principles but encourage the developer to find an alternative partner to take the built product. This is an option although the Council has previously agreed to take on this role and there is benefit in retaining control over the housing, housing types and tenure and in receiving the long-term commercial benefit from the rental income (above rent paid-out and costs) and ultimately the full capital value for £1 at the end of the 55-year lease terms.

Note: This is an Executive Function  
Not eligible for call-in  
Cabinet Member: Cllr Cox

**130 Exclusion of the Public**

Resolved:

That, under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the item of business set out below, on the grounds that it would involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A to the Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

**131 Fossetts Farm. Land Transactions - Confidential Appendix 1**

This matter was considered in conjunction with Minute 129 (Fossetts Farm, Land Transactions) above.

**Chair:** \_\_\_\_\_

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