

# Full Council

## Shepherds Lane, Mill End Development Agreement

9 December 2025

## **FULL COUNCIL**

### **PART II**

#### **SHEPHERDS LANE, MILL END - DEVELOPMENT AGREEMENT**

**(DoF)**

**This report is NOT FOR PUBLICATION because it comprises EXEMPT INFORMATION which is not for publication by virtue of Paragraphs 3 of Part I of Schedule 12A of the Local Government Act 1972 (as amended).**

#### **1 Summary**

- 1.1 This report seeks the approval of Full Council to enter into a Collaboration Agreement and all necessary legal & funding agreements to promote and dispose of approximately 8.5 acres (3.439Ha) of land owned by Three Rivers District Council located off Shepherds Lane, Mill End.
- 1.2 The Council owns approximately 18% of the total land area of the site at Shepherds Land and the Collaboration Agreement will enable TRDC to work with the adjoining landowners and their representatives to promote and secure planning permission to develop the site for new homes.
- 1.3 The land at Shepherds Lane is identified within the emerging Local Plan (Site Ref. EOS7.0) as a site suitable for residential development. The Council has been working alongside the other landowners in a non-contractual capacity, but at this stage, the parties need to begin to prepare the site for planning purposes, which will include the requirement of financial investment and legal commitment, to protect all parties to the agreement.

#### **2 Recommendation**

- 2.1 It is recommended that Full Council:
  - 2.1.1 Agree to TRDC entering into a Collaboration Agreement and any additional legal agreement, funding or contract which is required for the purpose of promoting the site, obtaining planning permission and subsequently disposing of the site on the best possible terms;
  - 2.1.2 Approve the commitment to external borrowing and the allocation of up to £850,000 of capital funding to be used to promote the site and acquiring the necessary reports and expertise required to secure planning consent;
  - 2.1.3 Delegate approval to the Director of Finance to adjust the capital programme budget accordingly to ensure that the required funding is made available for this project;
  - 2.1.4 Approve the subsequent disposal of the site following the award of planning consent, ensuring that such disposal satisfies the Council's best value obligations;
  - 2.1.5 Delegates any variations or amendments in connection with recommendations 2.1.1 to 2.1.4 (inclusive) as may be necessary to the Chief Executive and Director of Finance, in consultation with the Leader of the Council and Lead Member for Resources, Infrastructure and Economic Development.

- 2.1.6 Notes that regular project updates including a summary of expenditure and progress will be reported to the Shareholder & Commercial Ventures Panel;
- 2.1.7 That public access to the report be denied until the land is disposed of or the Council decides to discontinue its association with the Collaboration Agreement.
- 2.1.8 That public access to the decision be denied until the Council minutes are published. Such minutes to be suitably anonymised to ensure non-disclosure of any confidential or commercially sensitive information.

Committee Decision on Public Access:-

- 1. Public access to report - denied until issue resolved (see future agenda)  
denied until the land is disposed of or the Council decides to discontinue its association with the Collaboration Agreement.
- 2. Public access to decision - denied until the Council minutes are published.

Report prepared by: Justin Wingfield – Head of Property Services & Major Projects

### 3 Background

- 3.1 The Council owns 8.5acres (3.439Ha) of land adjacent to Shepherds Lane in Mill End. Ownership of the site dates back decades and the site has, for the last 75 years, been farmed as part of the larger overall site.
- 3.2 A plan of the site, showing TRDC's ownership (shaded yellow) is attached at **Appendix 1**. The plan illustrates the overall site and identifies the other land partners, namely: Ptarmigan Rickmansworth Ltd and Barwood Development Securities Ltd, who have legal agreements in place with the landowners of the site.
- 3.3 Over the past four years, the parties have been working together, without formal legal commitment to commission technical surveys covering aspects such as: transport; ecology; drainage; ground conditions; arboriculture; landscape, and heritage. Following this initial stage of work, the parties have been able to conclude that there are no legal or technical barriers to development, and the site could realistically be brought forward through the planning.
- 3.4 Work between the parties has included joint promotion of the site through the emerging Local Plan 'call for sites' process. A copy of the proposed site Masterplan which was submitted to a Local Plan Sub-Committee meeting is attached at **Appendix 2**. This provides Members with a far deeper understanding and appreciation of the site proposals.
- 3.5 Having reached this stage, the next logical step is to formalise the relationship with the other landowners and promoters through the creation of a Collaboration Agreement, so that the parties can commit, with confidence, the necessary funding and expertise to prepare a planning application for the site.

### 4 Proposal

- 4.1 In very simple terms, all three parties are willing to work together to promote the site and the work undertaken so far indicates that the site has no major barriers to development. Under the emerging Local Plan, it is anticipated that this site will provide in the region of 500-550 new dwellings together with community infrastructure, which could include a much-needed medical centre, community space or educational facilities.

- 4.2 Both Ptarmigan & Barwood have an extensive track record in the promotion, adoption and development of residential sites across the UK. The proposal to enter into a Collaboration Agreement will enable TRDC to benefit from their expertise, but at the same time commit its own funds, to ensure that the Council only pays for the direct costs it incurs and not any share of promotional fees, usually charged by site promoters.
- 4.3 The proposed Collaboration Agreement sets out the framework under which the parties intend to work collaboratively, with Barwood Land Securities Ltd and Ptarmigan Rickmansworth Ltd acting as promoters on behalf of their landowner groups, while TRDC participates as a landowner but retains its obligations as a public body. The agreement remains in force until the project is completed, all obligations are fulfilled, or the parties terminate in accordance with the defined procedures, a suitable longstop date will also ensure that the promotion has a target end date.
- 4.4 A central part of the agreement is the governance and financial structure. The parties have agreed percentages - 68% to Ptarmigan Rickmansworth Ltd, 14% to Barwood Land Securities Ltd and 18% to TRDC - for sharing project expenditure, which is based upon their overall ownership of the site. The sales proceeds will be split pro-rata, based upon the gross acreages of the individual landholdings that comprise the site, this is to protect the parties in the event of a phased sale of parts of the overall site.
- 4.5 The project will be managed according to an approved planning strategy and annual budget, with the parties required to act in the project's best interests and ensure appropriate oversight. A project board will meet regularly, with each party holding one equal vote, and decision-making is divided between normal decisions (simple majority) and major decisions (unanimous approval), with some major matters eligible for expert determination.
- 4.6 The agreement includes detailed mechanisms for planning, expenditure, disposal of the land, and resolving disputes. The intention is to dispose of the site in a single sale, with the preferred bidder chosen based upon price and qualitative factors (noting the comments in para.4.4 above). The parties must ensure that vacant possession of the site can be delivered within three months of securing a satisfactory planning permission. Clear processes are provided for addressing default, including notice requirements, cure periods, and rights of termination, supported by a specialist dispute resolution procedure if disagreements arise.
- 4.7 Other important provisions include restrictions on assignment, obligations of good faith, reasonable efforts to ensure clean title, and the priority of each party's existing promotion agreements. Confidentiality is required among all parties, although TRDC must comply with statutory information requests under FOI and related regulations. Each party is responsible for its own tax, liabilities and professional advice, and the agreement explicitly confirms that the arrangement does not create a legal partnership.

## **5 Options and Reasons for Recommendations**

- 5.1 Officers have considered other potential options to achieve the same result, namely the allocation, award of planning permission and disposal of the site for best consideration. The follow section of the report summarises those options.
- 5.2 Option 1 – Disposal with Clawback – This option would allow TRDC to sell its land immediately at its current unallocated value while relying on a future uplift

payment once planning permission is secured. Although this approach distances the Council from the complexities of the development process, it presents significant risks relating to the achievement of best value, the enforceability of clawback provisions, and the overall level of financial return.

- 5.3 The lack of control over the planning strategy and the uncertainty of securing an effective clawback mean that the Council could be left with a suboptimal outcome. In summary, this option offers short-term simplicity but poses material financial and governance disadvantages, making it neither robust nor commercially recommendable.
- 5.4 Option 2 - Promotion Agreement – this option would see an external promoter take responsibility for advancing the site, covering all promotion costs without any initial expenditure by TRDC. While this removes the need for upfront investment and limits immediate financial exposure, it comes at the cost of surrendering a substantial proportion of the eventual land receipts - likely between 10-12%, equating to potentially more than £1.4 million. This fee considerably exceeds the level of contribution required under a Collaboration Agreement and does not reflect the actual costs of promoting the site, as it will include the risk premium/fee payable for the promoters' services.
- 5.5 Officers have explored whether it is possible to secure greater transparency or a 'cost-plus' arrangement with potential promoters, but such an approach was unsuccessful. This ultimately leaves the structure misaligned with public-sector standards of accountability, value for money, and open-book governance. In summary, despite reducing short-term cost, this option significantly diminishes the Council's longer-term financial return and offers limited transparency, making it an inefficient and unacceptable option.
- 5.6 Option 3 - Collaboration Agreement – this option enables TRDC to work directly with the other site promoters & landowners, sharing promotion costs proportionally and retaining meaningful influence over the progression of the site. This model provides a high degree of control, transparency, and oversight while creating a clear pathway to maximise the site's long-term value. Although it requires upfront capital investment and carries some exposure to financial risk, the scale of this commitment is modest when compared with the potential fee costs under a Promotion Agreement.
- 5.7 The structure also ensures that the Council's governance expectations—particularly around accountability, open-book management, best value and prudent stewardship of public assets - are fully met. In summary, Option 3 balances cost, control, and long-term financial benefit, positioning TRDC to ensure it is able to secure best value.
- 5.8 Taking these factors into consideration, the Collaboration Agreement emerges as the preferred and most rational option. It offers the strongest combination of financial return, governance, and strategic influence, while avoiding the significant risks associated with both the clawback disposal route and the costly fee structure of a Promotion Agreement. By adopting the Collaboration Agreement, TRDC can participate actively in shaping the site's future, protect public value, and ensure its decision-making responsibilities are discharged transparently and effectively.

## **6 Policy/Budget Reference and Implications**

- 6.1 The recommendations in this report will be within the Council's agreed policy and budgets.

## **7 Financial Implications**

- 7.1 The Collaboration Agreement requires TRDC to assume speculative promotional risk. The financial contribution required by TRDC to support the promotion of the site is estimated at around £550,000. In the event of the parties needing to submit a planning appeal, the costs could rise to around £850,000, which is the sum being sought for approval from Full Council.
- 7.2 At this stage, and with the site earmarked as a potentially suitable site in the emerging Local Plan, the likelihood of the scheme needing to go to planning appeal is considered low.
- 7.3 It should also be noted that in the event Members approve entering into the Collaboration Agreement, it will be necessary for the Council to borrow funds to participate in the promotion of the site and the work involved in preparing and submitting a planning application. The Council would therefore need to factor in the costs of borrowing in connection with direct investment, albeit the investment to support the case for adoption and planning does not need to be funded from day one, so a borrowing facility, may be the best option to pursue.
- 7.4 It is too early to be entirely clear on the likely land value to be achieved from the sale of this site. There are still many variables to overcome, from determining the net developable area, after deducting any required community, medical centre or educational space, to matters like the development density and housing mix. Officers have obtained initial advice from an independent property expert, and it is understood that TRDC's land share of 18% could be worth in the region of £6m-£11m once the site receives planning permission.
- 7.5 Members should be aware that if the site is not sold following the borrowing and expenditure required to secure planning consent, the associated costs will need to be met from revenue budgets.

## **8 Legal Implications**

- 8.1 The Localism Act 2011 gives the Council a general power of competence to do anything an individual may do although this is expressly subject to any statutory limitations that predate the commencement of that Act.
- 8.2 The relevant provision where a Council proposes to dispose of land is Section 123(2) of the Local Government Act 1972 ("LGA") which allows a Council to do so provided a disposal (other than by way of short lease) is for the best consideration reasonably obtainable, otherwise the consent of the Secretary of State is required.
- 8.3 The transfer for which this report seeks authority will satisfy the requirements, and at the point of disposal will be supported by an independent valuation and a robust marketing process, which will ensure that the Council has satisfied its best value duties.
- 8.4 In deciding whether to approve this disposal Members should be aware of their fiduciary and best value duties in terms of the prudent and responsible stewardship of the Council's assets and resources.

## **9 Equal Opportunities Implications**

- 9.1 Relevance Test

Has a relevance test been completed for Equality Impact?	Yes
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Did the relevance test conclude a full impact assessment was required?	No
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9.2 Impact Assessment - The Equality Impact Assessment reviews the proposal for a joint Collaboration Agreement to promote and dispose of land at Shepherds Lane, Mill End for a residential-led scheme of around 500–550 homes. No significant discriminatory impacts are identified at this stage, but potential issues relate to ensuring an inclusive housing mix, accessible design, safe public spaces, and adequate community facilities—particularly for older people, disabled residents, pregnant people, carers, homeless people and other vulnerable groups.

9.3 Planned actions include embedding accessibility and safety in the masterplan; maximising adaptable and accessible homes; ensuring safe, well-lit walking and cycling routes; designing flexible community spaces; managing construction impacts; and undertaking targeted engagement with affected groups. A more detailed assessment will be completed at planning application stage, supported by inclusive consultation and ongoing monitoring.

## **10 Staffing Implications**

10.1 The proposed Collaboration Agreement and subsequent promotion and disposal activities will be managed by the Council's Property Team, as part of its business-as-usual functions. Where specialist advice or support is required, this will be obtained from the funding that has been requested.

10.2 There will be no employment or other staffing implications in connection with this matter.

## **11 Environmental Implications**

11.1 All environmental implications arising from this matter will be dealt with as part of the preparation of the planning application. Compliance with planning policy and statutory requirements will be discharged accordingly and within the identified budget.

## **12 Community Safety Implications**

12.1 There are no community safety implications in connection with this matter.

## **13 Public Health implications**

13.1 There are no public health implications in connection with this matter.

## **14 Customer Services Centre Implications**

14.1 There are no customer service centre implications in connection with this matter.

## **15 Communications and Website Implications**

15.1 It is likely that some community engagement and consultation may be required as part of the preparation of the planning application. This will be dealt with by the promotional parties and in conjunction with TRDC's Communications and Community Teams.


## **16 Risk and Health & Safety Implications**

- 16.1 The Council has agreed its risk management strategy which can be found on the website at <http://www.threerivers.gov.uk>. In addition, the risks of the proposals in the report have also been assessed against the Council's duties under Health and Safety legislation relating to employees, visitors and persons affected by our operations. The risk management implications of this report are detailed below.
- 16.2 The subject of this report is covered by the Property Services & Major Projects service plan. Any risks resulting from this report will be included in the risk register and, if necessary, managed within this plan.

Nature of Risk	Consequence	Suggested Control Measures	Response (tolerate, treat terminate, transfer)	Risk Rating (combination of likelihood and impact)
Cost Overruns in Promotion and Planning Work	Exceeding budget allocation; unplanned borrowing; reduction in overall financial return to TRDC.	Set capped budgets and approvals for spend; regular monitoring and reporting to Shareholder & Commercial Ventures Panel	Treat	Medium–High
Borrowing Cost Increases	Higher long-term liabilities; reduced land value net benefit.	Fix borrowing arrangements early; use phased drawdown facilities.	Treat	Medium
Planning Permission Risk / Planning Refusal	Delays, additional appeal costs, planning uncertainty; reduced market interest.	Commission robust technical reports; pre-application engagement; allocate contingency.	Treat	High
Market Fluctuation Impacting Final Land Value	Reduced financial return (current estimate £6m–£11m); viability challenges.	Commission updated valuation assessments; build flexibility into disposal timing; monitor market conditions.	Tolerate / Treat	Medium–High
Disputes Between Collaboration Parties	Delays, legal costs, breakdown in collaboration, potential termination.	Clear dispute resolution procedures; regular Project Board meetings; define major vs minor decisions; maintain robust documentation.	Treat	Medium

FOI / Confidentiality Breaches	Legal non-compliance; reputational harm; increased scrutiny.	Clear confidentiality clauses; prepare FOI handling protocol; issue redacted documents as needed.	Treat	Medium
Longstop Date Reached Without Completion	Forced renegotiation or termination; sunk costs unrecoverable.	Monitor programme; escalate issues at Project Board; consider extension only with mitigation.	Treat	Medium
Reputational Risk from Public Objections / Transparency Restrictions	Public distrust; political pressure; accusations of lack of transparency due to restricted access provisions.	Prepare communication plan; publish information as soon as legally permissible; support community engagement.	Treat	Medium
Termination of Agreement by Another Party	Project delays; renegotiation; stranded costs for TRDC.	Strong termination clauses; early warning triggers; seek compensation provisions.	Treat / Transfer	Medium
Insufficient Internal Capacity to Manage Agreement	Errors, delays, increased reliance on external consultants.	Allocate dedicated project manager; use funding to procure expertise; provide training.	Treat	Low–Medium

16.3 The above risks are scored using the matrix below. The Council has determined its aversion to risk and is prepared to tolerate risks where the combination of impact and likelihood scores 6 or less.

<b>Very Likely</b>  <b>Likelihood</b> <b>Remote</b>	<b>Low</b> <b>4</b>	<b>High</b> <b>8</b>	<b>Very High</b> <b>12</b>	<b>Very High</b> <b>16</b>
	<b>Low</b> <b>3</b>	<b>Medium</b> <b>6</b>	<b>High</b> <b>9</b>	<b>Very High</b> <b>12</b>
	<b>Low</b> <b>2</b>	<b>Low</b> <b>4</b>	<b>Medium</b> <b>6</b>	<b>High</b> <b>8</b>
	<b>Low</b> <b>1</b>	<b>Low</b> <b>2</b>	<b>Low</b> <b>3</b>	<b>Low</b> <b>4</b>
	<b>Impact</b> <b>Low</b> -----> <b>Unacceptable</b>			

#### Impact Score

4 (Catastrophic)  
3 (Critical)  
2 (Significant)  
1 (Marginal)

#### Likelihood Score

4 (Very Likely (≥80%))  
3 (Likely (21-79%))  
2 (Unlikely (6-20%))  
1 (Remote (≤5%))

- 16.4 In the Officers' opinion none of the new risks above, were they to come about, would seriously prejudice the achievement of the Strategic Plan and are therefore operational risks. The effectiveness of the management of operational risks is reviewed by the Audit Committee annually.

The remainder are therefore operational risks. Progress against the treatment plans for strategic risks is reported to the Policy and Resources Committee quarterly. The effectiveness of all treatment plans are reviewed by the Audit Committee annually.

#### Data Quality

Data sources: Not applicable

Data checked by: Jon Boyle - Principal Lawyer (Property) & Deputy Monitoring Officer

Data rating:

<b>1</b>	<b>Poor</b>	
<b>2</b>	<b>Sufficient</b>	
<b>3</b>	<b>High</b>	✓

**Background Papers** - None

#### APPENDICES / ATTACHMENTS

Appendix 1 – Site Plan

Appendix 2 - Masterplan Document - TRDC Local Plan Sub-Committee

