

Wards Affected:

Walton

DISPOSAL OF LAND OFF ORTENSIA DRIVE, WAVENDON

Responsible Cabinet Member: Councillor Middleton (Cabinet Member for Resources and Innovation)

Report Sponsor: Kamran Rashid (Capital Programme Director)

Author and contact: Ed Palmieri (Interim Head of Property and Facilities Management) - Tel: 01908 254967.

Executive Summary:

A decision is sought to dispose of a small section of verge land leased to the Parks Trust to provide access to adjoining land which has planning consent for 134 residential units.

Tackling homelessness is the headline priority within the Council Plan 2016 – 20. The Plan states that to successfully tackle homelessness an approach including improved housing availability is needed. Disposing of this land will assist in increasing the deliverable housing land supply and therefore availability of housing.

Disposing of property is a key deliverable of the SMART Property Programme to create capital receipts.

SMART Property is one of the initiatives in the Financial Sustainability Plan and Medium Term Financial Strategy October 2016.

1. Recommendation

- 1.1 That the disposal of the land off Ortensia Drive, Wavendon in conjunction with the Parks Trust (PT) who are tenants of this land to provide the adjoining land owner with access to a housing development be approved.

2. Issues

Background

- 2.1 The land in question is verge land and part of a larger area leased to the PT for 999 years from 31 March 1992 at a peppercorn rent.
- 2.2 The adjoining land owner Hewlett Parkard Enterprises Ltd (HPE) have secured planning consent for 134 dwellings and 100m² of retail (planning application ref 15/02337/OUT). The consented scheme is to be accessed across this verge. HPE have approached the Council and the PT to ask to purchase the access over the verge for the consented development.
- 2.3 HPE could access the development via their current access off Ortensia Drive or from the north of their site, both requiring planning consent. In other words

the HPE development site is not considered to be ransomed by the verge for its access.

2.4 After negotiation with HPE an offer was made to the Council and the PT to purchase an area of the verge sufficient to provide the access in consideration of payment by HPE to the Council and PT of £1Million. This consideration would be divided equally giving the Council a capital receipt of £500,000.

2.5 Kirby Diamond were instructed to value the respective interests of the Council and the PT in selling the land for the access requested by HPE and to confirm if £1Million being offered by HPE represented the appropriate consideration for both parties. The Kirkby Diamond report confirms this for the Council and the PT and that a receipt of £500,000 for the Council is Best Consideration as required by s.123 of the Local Government Act 1972 for the sale of the land to be a lawful disposal.

3. Options

3.1 Option 1

The Council in conjunction with the PT disposes of the land to provide access to the adjoining residential development which will result in a capital receipt to the Council of £500,000. This is recommended.

3.2 Option 2

To do nothing and forgo the receipt. This is not recommended.

4. Implications

4.1 Policy

The Council is under no obligation to sell its land to provide access for the adjoining development, although previously it has agreed to release covenants to enable residential development to take place. Doing so here has the benefit of a substantial capital receipt for the Council, enabling the implementation of a residential planning permission.

The current planning consent ref 15/02337/OUT is outline and reserved matters will need to be approved by the developer.

HPE are intending others to develop their site for housing.

4.2 Resources and Risk

There is no financial reason not to agree to the request and by proceeding as recommended the Council will obtain a capital receipt. The capital receipt from the disposal will be used to support financing of the capital programme. Such receipts cannot be used for revenue expenditure.

Y	Capital	N	Revenue	N	Accommodation
N	IT	Y	Medium Term Plan	Y	Asset Management

4.3 Carbon and Energy Management

There are no significant Carbon and Energy management implications, over and above those resulting from the construction of the new houses.

4.4 Legal

The Council is required to obtain the best value reasonably obtainable for this type of transaction (s.123 of the LGA 1972).

4.5 Other Implications

N	Equalities/Diversity	N	Sustainability	N	Human Rights
N	E-Government	N	Stakeholders	N	Crime and Disorder

Background papers:

None

Annex:

Site Plan