
REPORT TO THE MEETING OF THE EXECUTIVE 9 October 2019**PORTFOLIO: ENTERPRISE****REPORT FROM THE MANAGING DIRECTOR****SUBJECT: DISPOSAL OF LAND OFF LONDON ROAD, RAYLEIGH****1 DECISION BEING RECOMMENDED**

- 1.1 To agree the disposal of the freehold interest of the land edged red on the attached plan for the value of £300,000 to Sanctuary Housing.

2 REASON/S FOR RECOMMENDATION

- 2.1 An offer has been made by Sanctuary Housing Association to purchase land off London Road currently owned by the Council, which will be used as the main accessway to a new housing development site commonly referred to as Timber Grove.
- 2.2 The Council currently must maintain the land, an unmade road proposed as the development site access, which serves the Rayleigh Town Sports and Social Club, at its own expense.
- 2.3 The sale of the land would be consistent with the objectives of the Council's Asset Strategy 2018-2028, in that the capital receipts from disposal of this surplus asset will help fund future investment in the Council's capital programme.
- 2.4 The disposal will be carried out with due regard to the Council's Disposal Framework (2018).

3 SALIENT INFORMATION

- 3.1 The land was purchased by the Council in 1964 and there are no restrictions on the land aside from an obligation to maintain the boundary fences.
- 3.2 The land provides access from London Road to the Rayleigh Town Sports and Social Club; the land used by the club for playing pitches, etc. is leased from the Council. The Council will ensure that the club will continue to have use of the accessway, which is currently maintained by the Council, for use by the Club. The land is not publicly adopted and there are no highway or public rights of way over the land.
- 3.3 The Council resolved to grant planning permission for the Timber Grove site on 15 February 2018; a requirement of the consent is for the access (the Council's land) to be constructed to an adoptable standard as per Essex County Highway's specifications.

- 3.4 The Council entered into initial discussions with the applicant, during which clarification was sought from the Highways Authority regarding access to the Timber Grove site. It has been accepted that legally the Council's land is not a ransom strip as it is, in principle, possible for access to be gained from the west of the development and a second road off London Road. In any event, following negotiations, the Council and the applicant were unable to come to an agreeable figure for sale of the land.
- 3.5 However, Sanctuary Housing Association is seeking to acquire and develop the Timber Grove site. That being the case, and in a bid to progress the project, Sanctuary Housing Association has stepped in and has offered the Council a figure of £300,000 to purchase the freehold once the acquisition has taken place. Their confidential valuation report is appended.
- 3.6 The Council has sought the independent opinion of its valuers who confirmed that £300,000 would fall within the range of their valuation estimates. Their confidential valuation report is also appended.
- 3.7 If marketed on the open market the land is unlikely to be of interest to any other party and therefore it would be a matter of negotiation between the Council and Sanctuary Housing to reach a figure that is acceptable to both parties.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 To refuse the disposal of land or to renegotiate the figure with Sanctuary Housing.

5 RESOURCE IMPLICATIONS

- 5.1 The proposal is in line with the objectives of the Council's Asset Strategy 2018-2028, in that the capital receipts from disposal of this surplus asset will help fund future investment in the council's capital programme. The receipt will be restricted for use on future capital expenditure and cannot be used for revenue expenditure under Local Government accounting rules.
- 5.2 As per paragraph 3.6 the Council has sought the independent opinion of its valuers who confirmed that £300,000 would fall within the range of their valuation estimates and therefore represents an acceptable figure to the Council. The Council will also de-risk itself from any future revenue expenditure required to maintain the land to an acceptable standard.

6 LEGAL IMPLICATIONS

- 6.1 Under section 123 of the Local Government Act 1972, the Council has a statutory duty to sell land at the best price reasonably obtainable. This has been demonstrated by the valuations (attached confidential appendices) carried out by both parties and through negotiations.

- 6.2 The Council will ensure that the rights of access will be maintained for both use by the Council and the Rayleigh Town Sports and Social Club.

7 EQUALITY AND DIVERSITY IMPLICATIONS

- 12.4 An Equality Impact Assessment has been completed and found there to be no impacts (either positive or negative) on protected groups as defined under the Equality Act 2010.

I confirm that the above recommendation does not depart from Council policy and that appropriate consideration has been given to any budgetary and legal implications.



LT Lead Officer Signature: _____

Managing Director

Background Papers:-

None.

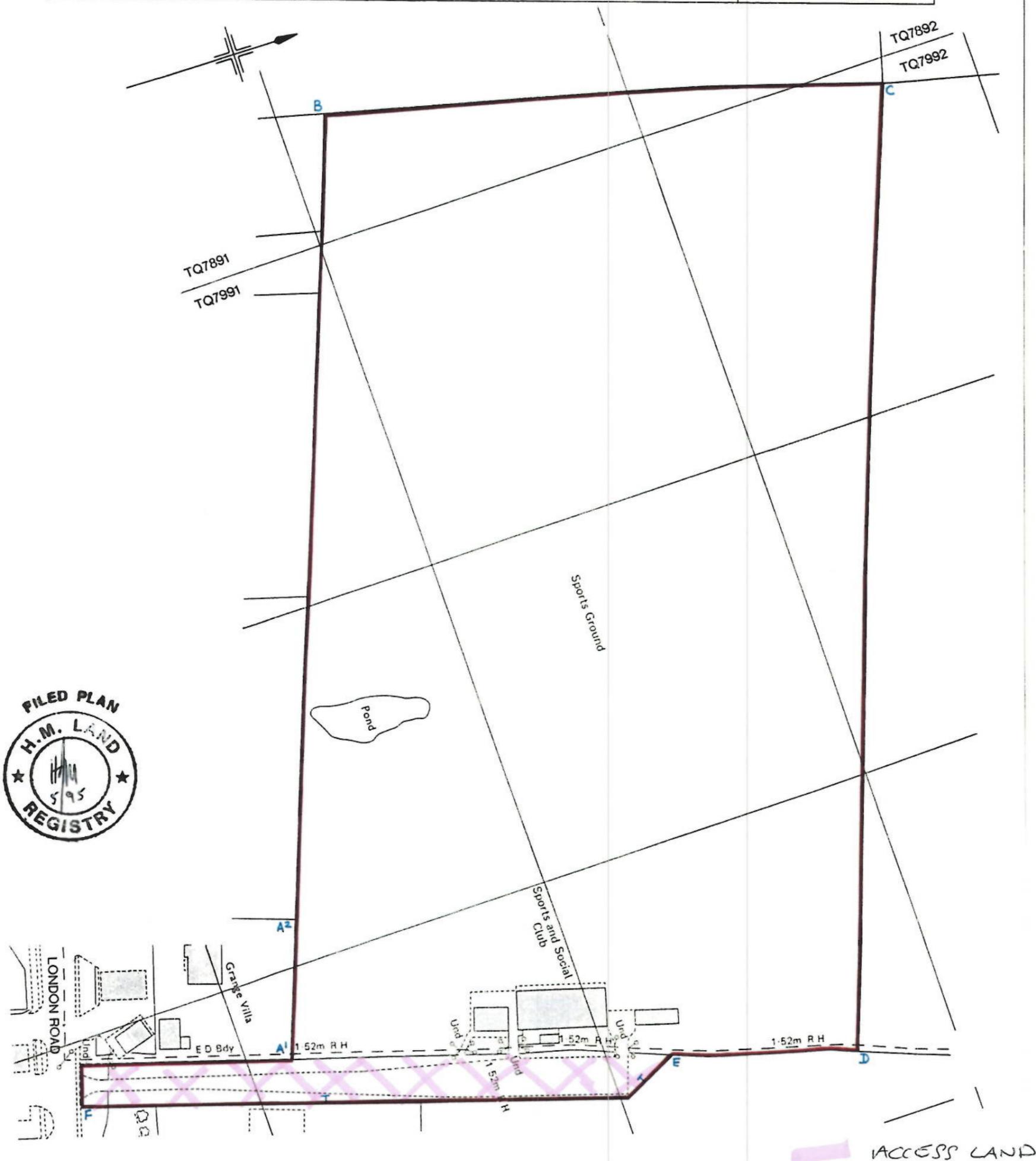
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H.M. LAND REGISTRY		TITLE NUMBER	
		EX55 18 58	
ORDNANCE SURVEY PLAN REFERENCE	TQ7891 TQ7892 TQ7991 TQ7992		Scale 1/1250
COUNTY ESSEX	DISTRICT ROCHFORD		© Crown copyright



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