

REPORT FROM: Democratic and Legal Manager

TO: Brierfield and Reedley Committee

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**LAND AT RICHARD STREET, BRIERFIELD –
LAND IN PRIVATE OWNERSHIP**

PURPOSE OF REPORT

To make Councillors aware of the current situation regarding this land and to ask for instructions on how to proceed.

RECOMMENDATION

The instructions of Councillors are requested on what further action should now be taken in response to the letters from the Duchy of Lancaster's solicitors.

REASON FOR RECOMMENDATION

To decide on a way forward in respect of the land.

Background

1. Councillors will recall that I reported to the meeting of this Committee on 1st March that the Council has received a letter from the solicitors acting for the Duchy of Lancaster, the owners of the land shown on the plan attached to this Report. The Duchy are prepared to sell the land at its open market value, as determined by their valuers. The Council would be required to pay the fees of the Duchy's valuers in deciding what the open market value of the land would be.
2. At the meeting on 1st March it was resolved as follows:
 - (1) That Liberata Property Services be asked to provide their opinion of the open market value of the land marked "B" on the plan attached to this Report as soon as possible;
 - (2) That the solicitors acting for the Duchy be asked whether they would consider granting a lease of the land and, if so, upon what terms;

(3) That a further report containing the valuation referred to be submitted to the next meeting of this Committee.

Issues

Valuation

3. Liberata Property Services have come back to me with their view on the valuation of the land. This view is provided by Liberata on the basis that :
 - a. it is given as advice in terms of a potential negotiation and not a formal valuation figure and
 - b. No surveys or enquiries have been carried out in relation to the title or possible contamination requiring remediation.
4. Liberata's view on the value of the land on that basis is as follows:
 - a) Having reviewed the Land Registry Entries for the land, Liberata's view is that the most likely and valuable use for the land would be residential use, assuming there are no restrictive covenants preventing such use nor any contamination issues.
 - b) It is understood that Planning Consent for residential development has in the past been approved for the site and that theoretically if the previous consent has lapsed or hasn't been implemented and that a new consent would most likely be forthcoming.
 - c) There has been little residential development of this scale in the Borough in recent years, compounded by the moratorium and general malaise of the housing market.
 - d) It is suggested that if the land were to be offered to the market and an interested party were interested in acquiring it for residential purposes, it may attract a bid around £150k per acre therefore the site value may be close to the sums mentioned in the Land Charges Register. It is suggested that therefore potential values in the region of £285,000 to £385,000 (not accounting for fees, contamination remediation, ground conditions or onerous covenants) might be obtained. The lower figure is based upon £150k per acre and the higher figure is the original recorded acquisition price for the land, as the vendors would presumably wish to sell on the land at the price originally paid.

5. Possibility of a lease of the land

A letter has been sent to the Duchy of Lancaster's solicitors asking them whether they would consider granting a lease of the land to the Council and, if so, upon what terms. At the time of writing this Report, no reply has been received. If a reply is received before the date of the Committee meeting, this will be reported at the meeting.

6. Given the valuation provided by Liberata Property Services and the Financial comments set out below, the financial resources do not seem to be available at the present time to enable the Council to buy the land. The instructions of Councillors are therefore requested on how to proceed.

IMPLICATIONS

Policy:	None arising directly from this Report
Financial:	These are difficult to determine pending confirmation from the Duchy of their assessment of open market value plus costs. That said, the provisional values supplied by Liberata for purchase of the land are of a scale that exceed the budget available to the Committee. There is also no provision for such expenditure within the Council's overall capital programme as approved by Council in February. It is also not yet known whether it is possible to secure a lease of the land and if so on what terms.
Legal:	These are set out in the body of the Report
Risk Management:	None arising directly from this Report
Health and Safety:	None arising directly from this Report
Sustainability:	None arising directly from this Report
Community Safety:	None arising directly from this Report
Equality and Diversity:	None arising directly from this Report

APPENDICES

Site Map

LIST OF BACKGROUND PAPERS

None