

REPORT FROM: DEMOCRATIC AND LEGAL MANAGER

TO: EXECUTIVE

DATE: 26th MAY, 2016

Report Author: Richard Townson
Tel. No: 01282 661650
E-mail: richard.townson@pendle.gov.uk

LAND AT RICHARD STREET, BRIERFIELD

PURPOSE OF REPORT

To consider a recommendation from the Brierfield and Reedley Area Committee that the Council purchase the land shown on the plan attached to this Report.

RECOMMENDATION

That the Council does not purchase the land.

REASON FOR RECOMMENDATION

As there is no provision in the capital programme for the purchase of this land.

Background

1. The land marked "B" on the plan attached to this Report was formerly owned by a private company registered in the British Virgin Islands. As that company is now in liquidation, the title to the land has vested in the Duchy of Lancaster.
2. The solicitors acting for the Duchy of Lancaster have been contacted and have stated that 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.
3. The Brierfield and Reedley Committee considered this letter at its meeting on 29th March this year and resolved as follows:.

"RESOLVED

That the Executive be asked to recommend that the Council purchase the land at Richard Street, Brierfield.

REASON

To address the issues arising from the present condition of the land."

4. Liberata Property Services have considered the issue of the value of the land and have suggested that 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. The Duchy's solicitors were also asked whether the Duchy would consider granting a lease of the land to the Council but the solicitors have said that only a sale will be considered.
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.

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

None

LIST OF BACKGROUND PAPERS

None