

## CABINET

11 July 2023

### DISPOSAL OF LAND AT LONG ROW ACCESS ROAD OAKHAM

#### Report of the Portfolio Holder for Planning and Property

Strategic Aim:	Delivering sustainable development	
Key Decision: No	Forward Plan Reference: FP/260523	
Exempt Information	No	
Cabinet Member(s) Responsible:	Cllr P Browne: Portfolio Holder for Planning and Property	
Contact Officer(s):	Penny Sharp, Strategic Director Places	Tel: 07973 854906 psharp@rutland.gov.uk
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Ward Councillors	Councillor Ramsay Ross Councillor Steve McRobb	

#### DECISION RECOMMENDATIONS

That Cabinet:

1. Approves the disposal of the freehold interest in land at Long Row Access Road Oakham.
2. Authorises the Strategic Director Places, in consultation with the Portfolio Holder with responsibility for Property to agree the final terms, including the precise area of land, generally in line with the Heads of Terms.

#### 1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to obtain authority from Cabinet to sell the freehold interest of land at Long Row Access Road Oakham to Tim Norton Ford Garage.

#### 2. BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 The Council owns the freehold of Long Row Access Road as identified on the plan at Appendix A. The tarmacked road provides access to Tim Norton Ford Garage and users of the garage site. There is no through-traffic for vehicles or pedestrians. The roadway is not adopted. The Council has maintenance and repairing liabilities and incurred costs of c£200 carrying out pothole repairs during 2022. Other potholes

have been reported since.

- 2.2 The Council has no records of any documentation about Long Row Access Road being let to any party, including Tim Norton Ford Garage. The Council does not receive any income for the property and is responsible for its ongoing repair and maintenance. The garage leases offices and associated car parking spaces within its site to a local taxi firm and they too access their premises in the same way as the Ford Garage along Long Row Access Road. In the absence of evidence in Council records it is assumed that the use agreed by Tim Norton Ford Garage and its sub tenant is unauthorised by the Council.
- 2.3 Tim Norton Ford Garage, the owner of surrounding properties, approached the Council to express interest in purchasing Long Row Access Road.
- 2.4 An assessment of the land has been completed and it has been declared surplus.
- 2.5 The Council is obliged to ensure it obtains best consideration reasonably obtainable for land disposal. There is no absolute requirement to market the land being disposed of or to obtain an independent valuation.
- 2.6 Assessing a disposal price for Long Row Access Road requires an assessment of several factors including the current use, location, potential special purchaser and that a disposal to Tim Norton Ford Garage would potentially enhance the value of its existing land holdings, including future development potential. The Council instructed Innes England to prepare an independent valuation and marketing report of Long Row Access Road, having regard to the expression of interest received from Tim Norton Ford Garage.
- 2.7 Innes England advised that in their opinion inclusion of Long Row Access Road would make for a more attractive and potentially “neater” development site and the absence of Long Row Access Road would not preclude development propositions coming forward on immediately surrounding land. Overall Long Row Access Road is not considered to hold ransom value potential. If Long Row Access Road were offered on the open market for sale the expectation is that Tim Norton Ford Garage would be interested and potentially be a willing buyer. It is not easy, however, to envisage a competing buyer and therefore it is arguable that Tim Norton Ford Garage may be considered a Special Purchaser. Ownership of Long Row Access Road by Tim Norton Ford Garage would improve marketability of the adjoining ownerships and add flexibility to redevelopment potential of the immediate wider ownerships. Therefore it is understandable why the adjoining owner, Tim Norton Ford Garage, would be interested in purchasing and it is not easy to imagine an alternative willing purchaser from the open market
- 2.8 Innes England considered disposal and marketing of the property. They advised that promotion in the open market was not recommended if the adjoining owner has already expressed interest. A sale without clawback was appropriate if the consideration obtained already reflects potential value as a development site. Selling the Freehold interest was appropriate as that is likely to be perceived at a slightly higher market value than a sale by virtual freehold (999 year lease or similar) and will increase associated legal costs and there is little advantage to a vendor adopting that route unless there is some other objective to be achieved.
- 2.9 Following negotiations an offer of £42,000 exc. VAT was made by Tim Norton Ford

Garage for the Councils freehold interest, and with each party bearing their own legal costs. The offer received reflects the commentary and recommendations of para 2.8 above.

- 2.10 Final terms agreed will include appropriate clauses relating to sub-selling of the asset so in the event on an onward sale of the property by the purchaser at an increased price the Council will benefit.

### **3. CONSULTATION**

- 3.1 Consultation has taken place internally with Senior Officers and Elected Members of the Council, at the Corporate Asset Project Board and with Cllr P Browne, Portfolio Holder for Planning and Property, Strategic Director Places, Strategic Director Resources and the Councils Highways team. Rutland County Council corporate procedures have been followed.

### **4. ALTERNATIVE OPTIONS**

- 4.1 Do nothing would result in the Council continuing to have maintenance and repair liabilities for a piece of land providing access to a privately owned site and for which it receives no income.

### **5. FINANCIAL IMPLICATIONS**

- 5.1 The Council elected to register Long Row Access Road for VAT on 16 October 2012.
- 5.2 The Council incurred costs of c£200 carrying out pothole repairs during 2022. Other potholes have been reported since. A sale will remove future repair and maintenance obligations.
- 5.3 Long Row Access Road is not individually recognised on the Councils Balance Sheet which reflects the nature and current use as described in Section 2 so the asset is currently deemed a De Minimus asset (Value less than £10k)
- 5.4 The sale price agreed reflects the advice and recommendations made by Innes England and referred to in para 2.7, 2.8 and 2.9.
- 5.5 The Council's legal costs associated with the transaction will be deducted from the sale proceeds. Other fees and costs incurred will amount to £7,000 exc. VAT

### **6. LEGAL AND GOVERNANCE CONSIDERATIONS**

- 6.1 Any acquisition, disposal, appropriation or exchange of property or other fixed assets must be made in accordance with the capital programme approved by the Council or through a separate approval. This report seeks authorisation to include the disposal in the capital programme. As the value is less than £1m then Cabinet is able to approve this project.
- 6.2 The freehold of the land would be transferred by the Council.

### **7. DATA PROTECTION IMPLICATIONS**

- 7.1 A Data Protection Impact Assessments (DPIA) has not been completed as there are no data protection implications.

## **8. EQUALITY IMPACT ASSESSMENT**

8.1 An Equality Impact questionnaire has not been completed due to the report being for the disposal of property.

## **9. COMMUNITY SAFETY IMPLICATIONS**

9.1 There are no community safety implications arising from this disposal.

## **10. HEALTH AND WELLBEING IMPLICATIONS**

10.1 There are no health and wellbeing implications arising from this disposal.

## **11. ORGANISATIONAL IMPLICATIONS**

11.1 Environmental implications

11.1.1 There are no environmental

11.2 Human Resource implications

11.2.1 There are no human resource implications

11.3 Procurement Implications

11.3.1 There are no procurement implications

## **12. CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

12.1 The recommendations set out in this report will enable the Council to dispose of its freehold interest in the property, realise a capital receipt and result in no ongoing maintenance and repair obligations.

## **13. BACKGROUND PAPERS**

13.1 There are no additional background papers to the report.

## **14. APPENDICES**

14.1 Appendix: Plan of Long Row Access Road.

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.