

**CABINET**

**COUNCILLOR PAUL TAYLOR  
CORPORATE SERVICES PORTFOLIO HOLDER**

**17<sup>th</sup> October 2017**

**REPORT NO. LEG1716**

**KEY DECISION**

## **SALE OF FORMER HIGHWAY LAND AT NORTH TOWN PHASES 1-4**

### **SUMMARY AND RECOMMENDATIONS:**

This report recommends the sale of former highway land at North Town phases 1-4 which is a Vivid redevelopment.

#### **Recommendation**

To delegate authority to the Solicitor to the Council to sell the former Highway land at North Town phases 1-4 to Vivid at a price to be determined following receipt of advice from the District Valuer.

## **1. INTRODUCTION**

- 1.1 The redevelopment of the North Town estate involved the redesign of the estate including the re configurations of some of the adopted highways. Some roads and footpaths have been stopped up and then built upon as part of the redevelopment. When highway rights cease , the land beneath the former highway remains with the owner. The council owns the subsoil of these areas and Vivid need to have these areas transferred to them so that they can let or sell the newly constructed properties.
- 1.2 The decision is likely to be a key decision as the value of the land will be worth more than £100,000.

## **2. BACKGROUND**

- 2.1 The original estate comprised 471 flats. The redevelopment commenced in May 2011 and has 6 phases which will produce 697 properties. Phases 1 and 2 are complete and phases 3 and 4 are largely completed.
- 2.2 The council has helped fund this redevelopment using £1,401,077 of Right to Buy receipts as capital funding to support the affordable rented element of phases 1 to 4 , equating to 298 rented properties.

### **3. DETAILS OF THE PROPOSAL**

#### **General**

- 3.1 Vivid need to own the former highway land so that they can grant tenancies of the redeveloped properties, allowing decanted tenants to move back in following the redevelopment. The matter is urgent as the some of the properties are complete with snagging being dealt with. Vivid are under pressure to resolve the matter as quickly as possible and ward councillors have been receiving regular requests for help in resolving the issue from residents anxious to move into the new properties.
- 3.2 Vivid have commissioned Savills to undertake a red book valuation of the former highway land. This has been delayed for several reasons such as identifying what has been built on the former highway land -private market housing, affordable housing, parking etc. Savills report should be received by the 6<sup>th</sup> October and the District Valuer will assess the report and the value of the land to be transferred by the 20<sup>th</sup> October. Once the figure is agreed then the transfer will be able to proceed. The purpose of this report is therefore to allow the transfer to proceed at the end of October rather than delaying until the November cabinet for decision. This will only be possible if Vivid are in a position to pay the land value confirmed by the District Valuer. An update report will then be brought to the next cabinet confirming the amount of the capital receipt.
- 3.3 There is a possibility that if the figure is large then Vivid will ask the Council to transfer the land at an undervalue and, if this happens, then the matter would need to come to the November cabinet for decision on whether the Council will sell at an undervalue and the delegation requested in this report will not be used.

#### **Alternative Options**

Not to give the Solicitor to the Council delegated power to sell the land at the figure confirmed by the DV and to leave the decision until the November cabinet. This would lead to further delays to decanted tenants being able to move into their new properties.

#### **Consultation**

- 3.4 Ward members and the portfolio holder for Housing have been kept apprised of the situation.
- 3.5 Vivid have been notified of this report.

### **4. IMPLICATIONS**

#### **Risks**

- 4.1 There is no risk to the Solicitor to the Council exercising this delegation as she will be relying upon the District Valuer's assessment of the value of

the land. The recommendation does not allow her to transfer the land for any less and provides for the matter to revert to cabinet if there is any request by Vivid for a sale at an undervalue.

### **Legal Implications**

- 4.2 Section 123 Local Government Act 1972 provides that local authorities may dispose of land as they see fit but cannot dispose of land, other than by way of a short tenancy, for less than best consideration.
- 4.3 The LG Act 1972: General Disposal Consent 2003 removes the need for the Secretary of States consent to disposals at an undervalue where the disposal would be likely to contribute to economic, social or environmental wellbeing provided the disposal does not exceed £2million pounds.

### **Financial and Resource Implications**

- 4.4 The level of the capital receipt is currently unknown.

### **Equalities Impact Implications**

- 4.5 The North Town redevelopment has redeveloped social housing to update the estate. If the viability of the regeneration is affected such that future phases can't be delivered then a further report will be brought to cabinet. Any receipt should be used for further affordable housing delivery within the borough.

### **Property implications**

- 4.6 The land has no value to the Council as it has been built upon and is the subsoil of former highway land

## **5. CONCLUSIONS**

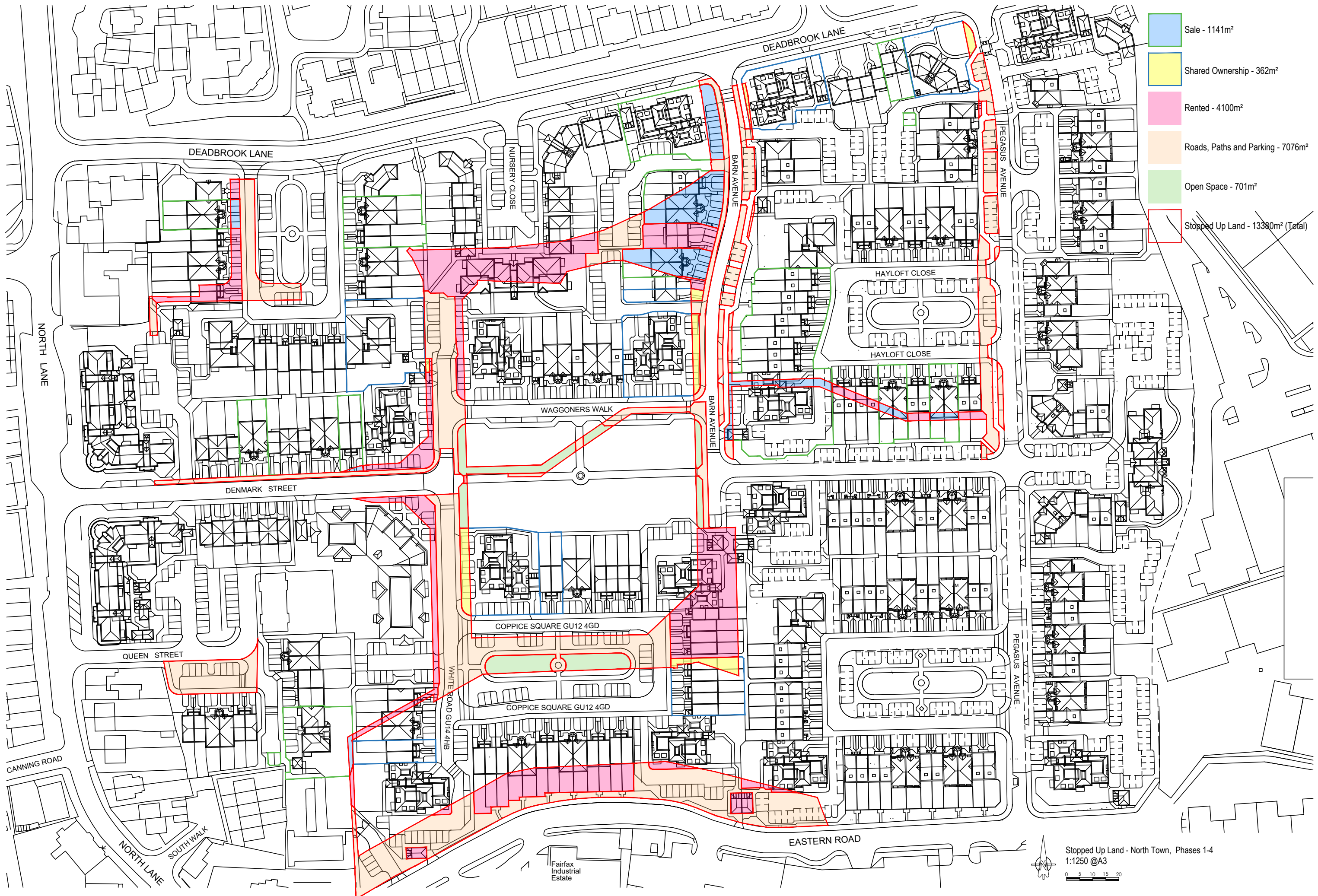
- 5.1 The delegation is sought to enable the land transfer to proceed more quickly once the value has been identified. This is in the interests of the tenants, Vivid and the Council.

### **BACKGROUND DOCUMENTS:**

Plan of the area to be transferred

### **CONTACT DETAILS:**

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Stopped Up Land - North Town, Phases 1-4  
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