

Decision under Delegated Powers

Officer Requesting Decision

Ian Browne, Strategic Asset Manager

Officer Making the Decision

Strategic Director for Corporate Services

Recommendation

That the application by the property owner to purchase the freehold of an area of 116 m² grassed land owned by the Council forming the front garden of 227 Knightthorpe Road Loughborough for the sum of £5,841 (including legal costs) is approved. Plan Attached

Reason

The council has a duty to achieve value for money for all its assets. The sale of this garden plot has been assessed using past evidence and current market data. The asset disposal value is therefore representative of a fair market price.

A precedent has already been set whereby the adjacent properties have been sold including the front garden.

Authority for Decision

Under the Council's Constitution (page 8-21-point 6) the Head of Finance and Property Services may approve land and property disposals where the freehold value is £100,000.00 or less or the Leasehold value is £50,000.00 or less.

Decision and Date

Signed



Date

14 FEB 2019

Background

An application in 2008 by a previous owner to purchase the front garden was approved but they did not complete the purchase. The land was valued by the councils own Chartered Surveyor at £4,000.00.

The area is a parcel of HRA identifiable grassland clearly identifiable as appropriate for the sole use as a garden by the owner of the property given that it forms the frontage to the address. The adjoining properties have all been sold to include the frontage.

The area in question is 116 m² in total and therefore of de-minimis value. There is no future possibility of development of the area by the Council or the new owner given the site restrictions.

The land does not lend itself to a community use aspect.

The owner occupier making the application has maintained the land since purchase of the house in 2015 and has a reasonable claim on the land.

Using MHCLG residential development land values estimates this area would be valued at £14,372.00. This is deemed wholly inappropriate as the land cannot be used for residential development purposes.

The MHCLG calculation for commercial land values the area at £5,591.00 using the 2015 MHCLG rate which at the time of assessment was the most up to date version. This application represents an overall increase of £1,591.00 from the 2008 valuation and is a reasonable uplift given the location and use solely as a garden space by the house owners.

The cost of valuations of similar property by the District valuer would be in the region of £400 plus VAT. An excessive charge given the nature of the transaction and in the event that the land was valued considerably higher by the DV the sale would likely not proceed.

The council is currently liable for upkeep of the land it owns and the occupier of the house fronting the land would be liable to compensation for the period of their upkeep of the land which the council currently fails to provide.

The council has previously approved the disposal of this plot on previous occasions. There is no reason to refuse this application as the status of the land has not changed.

Financial Implications

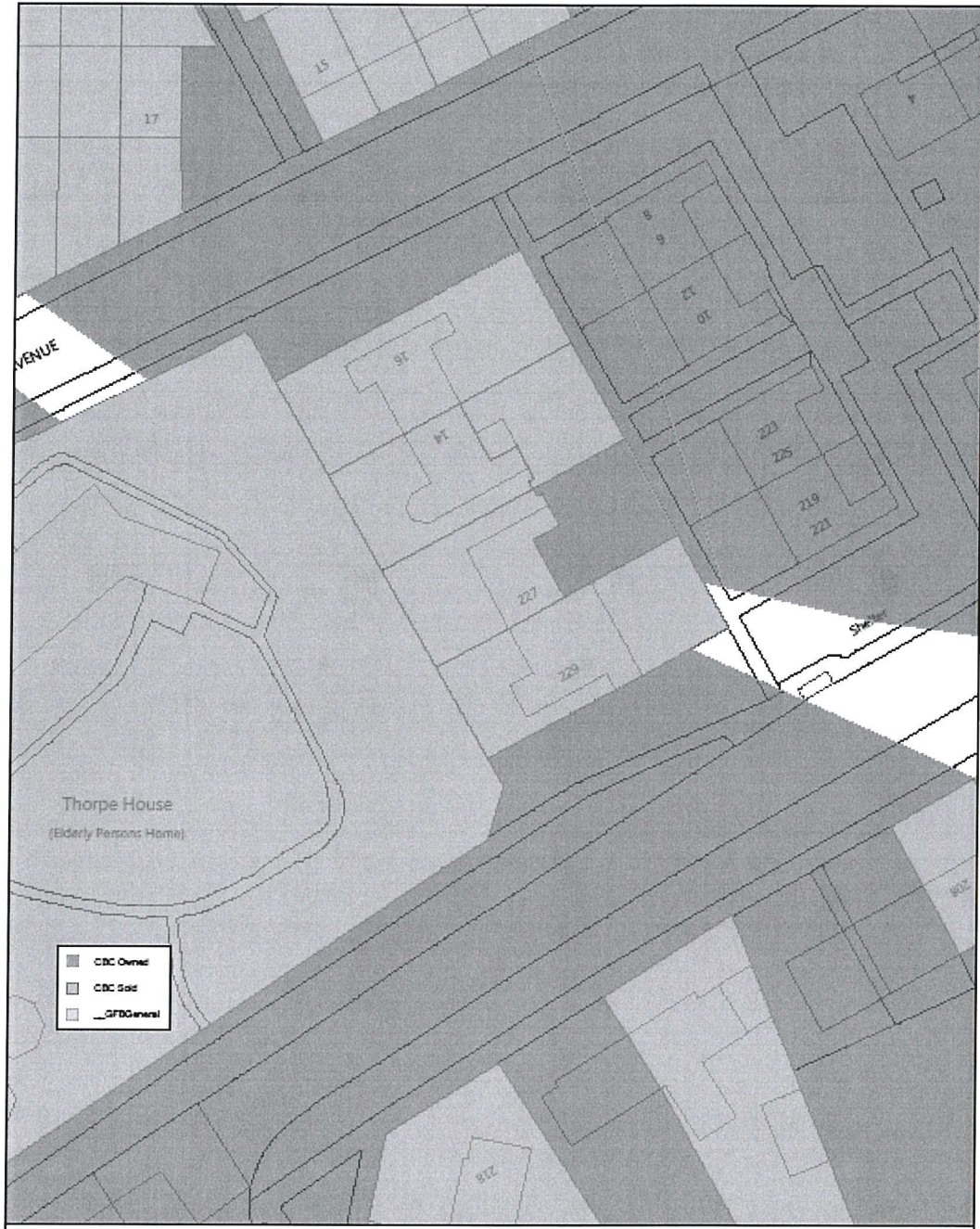
The Strategic Asset Manager is satisfied that the use of the MHCLG commercial land values methodology to value the land is acceptable as it provides an uplift to valuation given in 2008 which appears to be fair and reasonable.

The HRA will receive revenue income of £5,841 (a one-off sum) for the sale of the land which includes the recoupment of legal fees of £250.

Risk Management

There are no identifiable risks associated with this decision.

Key Decision: NO



227 Knightthorpe Road Scale 1:500

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Scale: 1:7
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