Summary
This report seeks approval for the sale of a ransom strip owned by the Council at Tofts Close, Titchmarsh.

Attachment(s)
Letter from NRHA
Map of Tofts Close
Proposed Development Plan
Valuation Report

1.0 Introduction

1.1 On 21 April 2010, the Development Control Committee approved a social housing development at Tofts Close, Titchmarsh. Access to the development will be across a strip of land owned by the Council (highlighted in red on the attached Map of Tofts Close).

2.0 Considerations

2.1 When the planning application was submitted the developer, Northamptonshire Rural Housing Association (NRHA), assumed that a third party owned the strip of land who would grant the developer permission to access the site. However, the Amenities Manager discovered that the land was owned by the Council.

2.2 The Housing Association has written to the Council apologising for this error and has suggested how the matter could be resolved. A copy of their letter is attached.

2.3 The value of the land comes from the right of access over it and the enhanced value this access gives the land adjoining it. Once access has been granted there would be little or no residual value. The suggestion made by NRHA is not ideal from an asset management point of view. However, NRHA would not be in a position to buy the land from the Council and would require some form of support if we were to sell the land to them.

2.4 The granting of access conveys a benefit to the developer. The strip has been valued at £40,000, based on the proposed development and does not consider the potential of further development to the west. As shown on the proposed development plan, the way the development is laid out would allow the creation of a new strip of land to the south of plot number 2 and the potential for access to the west of plot 1, between plots 3 and 4 and to the south of plot 5. At the moment these strips have little value because there are no plans for development to the west of this plot. However, further development to the west of the site would add value to the land and it is considered reasonable to seek an agreement that would give the Council additional value for any further development that may occur.

3.0 Decisions

3.1 In order for the development to proceed, the Council needs to reach an agreement with NRHA regarding access over the strip of land. There are two issues to deal with: the sale of the land; and how the Council ensures that it receives any benefit from the subsequent development to the west of the site.
3.2 The first issue requires a decision as to whether the Council sells the land to the NRHA. If it’s sold then a report will go to the Policy and Resources Committee seeking grant aid from the Financial Support to Social Housing capital budget for the same amount.

3.3 The second issue can be dealt with in two ways. The Council can either look to attach conditions to the sale of the land or attach conditions to the grant. Conditions attached to the sale of the land could involve some form of clawback clause should further access be granted across the site or, in return for the grant, we could request that ownership of the strip of land (as marked on the development plan) be conveyed back to the Council.

4.0 Recommendation

4.1 It is recommended that:
(i) the ownership of the strip of land is conveyed to NRHA, subject to them entering into an agreement which passes any subsequent benefit of any future development that requires access across the site back to the Council; and
(ii) the Solicitor to the Council is authorised to enter into negotiations with NRHA for the sale of this land and the associated agreements.

### Implications:

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**Other:**

Decision(s) would be outside the budget or policy framework and require full Council approval

### Financial

- There are no financial implications at this stage
- There will be financial implications – see paragraph 6
- There is provision within existing budget
- Decisions may give rise to additional expenditure at a later date
- Decisions may have potential for income generation

### Risk Management

An assessment has been carried out and there are no material risks

- Material risks exist and these are recorded at Risk Register Reference - 259
- Inherent risk score - High
- Residual risk score - Medium

### Staff

- There are no additional staffing implications
- Additional staff will be required – see paragraph

### Equalities and Human Rights

- There will be no impact on equality (race, age, gender, disability, religion/belief, sexual orientation) or human rights implications
- There will be an impact on equality (see categories above) or human rights implications – see paragraph

### Legal

- Power: Section 123 Local Government Act 1972
- Other considerations:

### Background Papers:

- None

**Person Originating Report:** Robert Austin, Head of Resources

**Date:** 2 June 2010

(CSNCR Report Normal Rev. 21)
Anna Lee  
Case Officer  
Development Control  
East Northamptonshire Council  
Cedar Drive  
Thrapston  
Northamptonshire NN14 4LZ  
07 May 2010

Dear Anna,

Ref: Planning application number EN/09/02033/FUL

I am writing following the development control committee meeting on 21st April 2010, where land adjacent to 16 Tofts Close Titchmarsh was granted approval. It has since come to light that the wall running along the boundary of the said site was not owned by the land owners Merchant Venturers but the wall is an asset of East Northamptonshire Council.

I am writing to greatly apologise for this “assumption” as the wall appears on the land registry document as just a straight line to the boundary and the land owners thought that they owned the wall in question. An error on our side admittedly. The site has been granted planning permission for 5 affordable houses subject to a section 106 criteria agreed by the local authority. This criteria states local occupancy, applicants must have a local connection to Titchmarsh. These homes will remain in the ownership of Northamptonshire Rural Housing Association as affordable housing in perpetuity. The wall running along the scheme is shown on the planning application as having part removed for driveway access for 3 bungalows. The stone removed from the wall is to be used further around the development to form a curve leading to the 2 affordable houses. May I propose that the wall remains in the ownership of East Northamptonshire Council and that a formal agreement is written confirming this and that Northamptonshire Rural Housing will maintain the wall running the length of our scheme for ENC.

I do hope this proposal is satisfactory and of course are happy to meet with you and Richard Hankins, Amenities Manager to discuss this further.

Yours sincerely

Mrs Joanne Martin
Development Services Officer
cc. Richard Hankins – Amenities Manager
Mr R Hankins  
East Northamptonshire Council  
Cedar Drive  
Thrapston  
Northants NN14 4LZ  

Dear Richard  

Valuation of Ransom Strip Tofts Close, Titchmarsh  

I refer to your letter of 30th April and the enclosures. I have now inspected the property and report as follows.  

1. Location  
Tofts Close lies on the northeast side of the village of Titchmarsh, an attractive and popular village in East Northamptonshire just off the A14. The village has all necessary amenities with the benefit of little through traffic.  

Tofts Close itself is a mixed area of small bungalows for old persons and large houses and bungalows on the north and west side.  

The subject site lies on the extreme edge of the village and the ground beyond drops away giving a fine view and vista out across the valley to the north and east, making this a very attractive and desirable location.  

2. Development  
The proposed development is for 5 dwellings; 2 pairs of semi-detached houses and 1 detached house, according to the plans supplied to me and attach as an appendix to this report. It would appear that Plots 1 and 2, which are relatively small, are intended to be 2 bed roomed houses, Plot 3 appears to be a detached bungalow and Plots 4 and 5 would also appear to be semi-detached bungalows.  

3. Planning  
Given the location of the site on the edge of the village it is assumed that planning consent would not be granted for general development and that consent is only likely to be given for affordable housing provided by a registered housing provider. My valuation therefore is on that basis, with the proviso that if it would be possible to obtain general planning consent for this land then the value could be significantly higher.
1st June 2010
Mr R Hankins

4. Market Background
The valuation is carried out in a market which has seen significant price falls for residential property over the last 3 years and even greater falls in value for development land. Residential property prices are generally down 25% approximately on average across the board, whilst development land values have fallen by at least 50%, possibly as much as 60% in some cases.

It is noticeable however that one or two developers are beginning to look at small scale sites now where there is some potential to build up market property but certainly in this locality major house builders are still reluctant to commit to new sites.

5. The Ransom Strip
The ransom strip itself comprises a wall between the highway of Tofts Close and the land in question. In order to carry out the development it will be necessary to breach the wall in at least 3 places and this will require an agreement with the owners of the wall, namely East Northamptonshire Council.

6. Value
It is estimated that the value of the land on the assumption of planning consent as outlined above is in the region of £125,000.

In normal circumstances the standard value of a ransom strip is considered to be approximately one-third of the development value released (although this can be higher in certain circumstances).

In the present case there is no provision for alternative access to the site and if the development is to proceed it is necessary to acquire appropriate rights over the wall.

On that basis I value the “ransom strip” at £40,000 (FORTY THOUSAND POUNDS)

7. Assumptions
For the purposes of this valuation I have assumed that the land is freehold and that it is without encumbrance. I have also assumed that there are no rights of way affecting the land or any other matters likely to have a significant bearing on value.

I have also assumed that there are no contamination issues or other similar matters.

Yours sincerely

Martin Pendered FRICS MEWI
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