

CABINET

20 February 2023

Title: Sale of Land Adjacent to 1044 Green Lane, Dagenham	
Report of the Cabinet Member for Finance, Growth and Core Services	
Open Report with Exempt Appendix 2 (relevant legislation: paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972)	For Decision
Ward Affected: Valence	Key Decision: No
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Accountable Strategic Leadership Director: Leona Menville, Interim Strategic Director, My Place	
Summary <p>This report sets out a proposal for the sale of Council-owned land incorporated into the garden of 1044 Green Lane, Dagenham, which is deemed surplus to Council's requirements.</p> <p>The area is a piece of land-locked land belonging to the Council but incorporated into the rear garden of the property known and addressed as 1044 Green Lane, Dagenham, RM8 1BT. The area in question is approximately 112.75 square metres. A site plan and aerial photograph are at Appendix 1 to the report.</p> <p>The land has been independently valued and exceeds the £5,000 threshold for land disposals that require Cabinet approval in accordance with the Council's Financial Rules and Regulations and Land Acquisition and Disposal Rules within the Constitution.</p>	
Recommendation(s) <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none">(i) Approve the sale of the Council-owned land to the rear of and currently incorporated into the rear garden of 1044 Green Lane, as shown edged red in site plan 1 at Appendix 1 to the report, on the terms set out in Appendix 2 to the report.(ii) Delegate authority to the Strategic Director, My Place, in consultation with the Chief Legal Officer and the Cabinet Member for Finance, Growth and Core Services, to agree the final terms and contract documentation to fully implement the sale of the site; and(iii) Authorise the Chief Legal Officer, or an authorised delegate on her behalf, to execute all the legal agreements, contracts, and other documents on behalf of the Council.	

Reason(s)

To accord with the Council's Financial Rules and Regulations and generate a capital receipt for the Council from the sale of land that is surplus to requirements.

1. Introduction and Background

- 1.1 1044 Green Lane, Dagenham is a privately-owned property. An area of land belonging to the Council is incorporated into the rear garden of the property. The area in question is approximately 112.75 square metres.
- 1.2 In 2000, negotiations took place with the late owner/occupier of 1044 Green Lane, Mr Chitty, regarding the land in question as part of a borough-wide registration project in conjunction with Land Registry at the time. Mr Chitty was given the option of either purchasing the land or a licence to occupy it and he chose the latter. A Licence is "personal to the Licensee" and is not transferable,
- 1.4 The Estate of the late Mr Chitty is planning to market the property and approached the Council regarding the purchase of the land, as it forms an integral part of the overall property.
- 1.5 The land has been assessed at the current market value and the proposed sale is in line with other sales of garden land in the area.
- 1.6 The sale of that part of the rear garden will place responsibility for the future maintenance costs of that area on the property owners.
- 1.7 Council's Financial Rules and Regulations within the Constitution (Part 4 Chapter 2, para 5.14.4) require that where the residual value exceeds £5,000, a report shall be submitted to the Cabinet stating the reason for disposal and the recommended method of disposal.

2. Proposals

- 2.1 The proposed sale should have no discernible negative impact upon the surrounding area and neighbouring properties, especially when it can only be used as part of an existing rear garden.
- 2.2 The Council-owned land has been valued in line with the RICS (Royal Institution of Chartered Surveyors) guidelines and a purchase sum agreed. The purchasers have also agreed to contribute towards the Council's legal and surveyor's fee.
- 2.3 Draft Heads of Terms were agreed between the Council and the purchaser, subject to contract and formal Council approval.
- 2.4 The valuation details and terms of the proposed sale are set out at Appendix 2, which is in the exempt section of the agenda as it contains commercially confidential information (relevant legislation: paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972) and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

3. Options appraisal

- 3.1 **Reject the sale** – this option was rejected due to the circumstances of the case. Not of benefit to the Council. The maintenance of a stand-alone piece of garden land already incorporated into a homeowner's garden will be onerous and costly to the Council. The sale will relieve the Council of the onerous responsibility and generate a small capital receipt.

4. Consultation

- 4.1 The proposals in this report were considered and endorsed by the Council's Assets and Capital Board on 19 December 2022.

5. Financial Implications

Implications completed by: Binoy Pillai, Interim Capital Accountant

- 5.1 1044 Green Lane, Dagenham is a privately-owned property. An area of land belonging to the Council is incorporated into the rear garden of the property. The sale will generate a small capital receipt that is not currently budgeted for and would be used to fund either further capital investment or be invested in accordance with the Treasury Management Strategy.
- 5.2 This asset is held within the General Fund and as such, the capital receipt will be available to invest in the capital programme after the deduction of any costs of sale, which are capped at 4% as set out in the Local Authorities Capital Finance and Accounting Regulations 2003.
- 5.3 The Council is under an obligation under s123 of the Local Government Act 1972 when disposing of an interest in land to obtain best consideration. It is for the authority to demonstrate that it has achieved best consideration or Secretary of State Approval is required for the disposal.

6. Legal Implications

Implications completed by: Sayida Hafeez, Principal Property Solicitor

- 6.1 The Council owns the freehold of the property in question, that being the landlocked land to the rear of 1044 Green Lane, Dagenham and is required to obtain best consideration in the disposal of its assets. The Council has the power to enter into contracts for the disposal of property but must do so in compliance with law and the Council's acquisition and land disposal rules.
- 6.2 The Council's Constitution, Part 4, Chapter 4 sets out the Land Acquisition and Disposal Rules. In accordance with paragraphs 2.1 to 2.2, all strategic decisions about the use, acquisition and disposal of land and property assets is within the remit of the Cabinet and must be approved by it.
- 6.3 The Council's disposal powers are contained in section 123 of the Local Government Act 1972 (LGA 1972) and Section 1 of the Localism Act 2011 also provides local authorities with a general power of competence.

6.4 Under Section 123 LGA 1972, the Council has the power to dispose of land in any manner that it wishes to, which includes the sale of freehold land. One constraint is that the disposal must be for the best consideration reasonably obtainable unless there is ministerial consent, or the transfer is to further local well-being. The property has been valued in line with RICS guidelines and a sale price agreed on negotiation. This reflects best consideration. Therefore, this condition is fulfilled, and the Council is at liberty to proceed with the proposed disposal.

Public Background Papers Used in the Preparation of the Report: None

List of Appendices:

Appendix 1 - Site Plans and Photographs

Appendix 2 - Valuation Information (exempt document)