

**CABINET**

**28<sup>th</sup> November 2013**

**Report of Portfolio Holder for Operations & Assets**

**Restricted**

**LAND ADJACENT TO 56 WATLING STREET, TAMWORTH.**

**Purpose of the Report**

To seek Cabinet approval to dispose of land adjacent 56 Watling Street, Tamworth

**Executive Summary**

Messrs Spiralglade Investments, owners of land fronting Watling Street, have approached the Council to enter into a joint development scheme with them. The Council land which extends to approximately 0.51 Acre is densely covered with vegetation and is completely land locked by land not in our ownership and therefore cannot be developed in isolation. Given this situation it is considered for the purpose of this transaction Spiralglade be considered a special purchaser.

The Council owned land is shown in 'red' colour on the attached plan detailed in Appendix 1 and combined with the frontage land in the ownership of Spiralglade Investments, which is shown edged 'blue', extends to 1.16 Acres in total.

Ritchie and Ritchie Architects acting for Spiralglade Investments have advised that having regard to the gradient and topography of the land the combined plots could provide the following accommodation:-

2 x 3 bed semi-detached house	860 sq ft each
2 x 2 bed semi-detached house	670 sq ft each
1 x 3 bed detached house	1,400 sq ft
1 x 5 bed detached house	1,615 sq ft
2 x 5 bed detached house	<u>1,840</u> sq ft each
Total Area	9,755 sq ft

A draft outline development plan is shown in Appendix 2.

Spiralglade Investments have a appointed Chivers Commercial, Chartered Surveyors, to act on their behalf and to date the best 2 offers received for the combined site are £385,000 and £400,000 but conditional on the outcome of the planning permission and any abnormal site costs which may be revealed.

In arriving at the valuation of the Council owned land a formula has been provisionally agreed with Spiralglade and their agent, which is detailed below:

i) The value of the frontage land (coloured blue in appendix 1) should be deducted from the net proceeds of sale of the combined site. As the 'blue' land has road frontage it could be developed in isolation and after consultation with the Planning Department it was considered that having regard to its shape and the presence of trees the building of one detached house would be appropriate. Its value to be calculated by dividing the net proceeds of sale by the total square footage of the proposed development multiplied by the square footage of one detached house.

ii) After the value of one detached house plot has been deducted from the net proceeds of sale the balance to be split 50:50 between the two owners. If a figure of £400,000 is achieved the Councils share would be in the region of £162,500 less any costs incurred in the process.

To validate the conditional offers received, an independent Valuation Report undertaken by the Valuation Office has advised that the current market value of the Council land is £125,000 less any costs incurred and it is anticipated that the final capital receipt will lie somewhere between the two figures. This report is attached as appendix 3.

### **Financial Implications**

The Capital Receipt will be credited to the Council's capital allowance and be ring fenced to support the work steams arising from the Sustainability Strategy.

All direct costs arising from the sale of the land will be deducted from the capital receipt received.

### **.Recommendation**

**That Cabinet authorise the disposal of the land and authorise the Director of Assets & Environment to conclude the negotiations and finalise the sale**