

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Housing Portfolio Holder

15 February 2012

AUTHOR/S: Executive Director (Operational Services) / Corporate Manager (Affordable Homes)

ACCESS FROM BRICKHILLS, WILLINGHAM: PRICE OF EASEMENT

Purpose

1. To seek a decision by the Housing Portfolio Holder on a price for the grant of vehicular access over land in SCDC ownership or transfer of Title of the land at the end of Brickhills, Willingham, to serve a proposed development on adjacent land that has now received planning permission (see revised plan).

2. **Recommendation**

That the Housing Portfolio Holder determines a fair price for the grant of access or transfer of Title of the land shown orange on the plan, taking into account the Council's best interests, the revised valuation by Pocock & Shaw (£152,000) and the applicant's submission. The price not to include the Council's legal costs of drawing up the Deed, payable by the applicant.

Reasons

3. To allow a reasonable return for the Council for the access in consideration of the recent planning consent.

Background

4. It was agreed by the Housing Services Manager on 23rd November 2009 to grant, subject to valuation, right of vehicular access over the unadopted cul-de-sac end of Brickhills to serve a proposed development of 19 dwellings on land to the south.
5. The agreement to grant access was subject to the grant of planning permission for the proposed scheme.
6. The original proposal was for a scheme of 100% affordable housing but a reduction in grant funding, difficulties in viability and land purchase costs caused a reversion to general needs housing where affordable housing would be offered via a S106 Agreement.
7. Planning application S/0014/10/F proposed a development of 19 dwellings on land south of Brickhills that included 6 affordable dwellings (less than 40%).
8. The access was valued at £200,000 by Pocock & Shaw on 2nd December 2009 (based on an estimated site value of £550,000 - £600,000) but an offer at this price was declined by the applicant as it would render the development scheme unviable.
9. The applicant supplied two further valuations for the access from recognised chartered surveyors, one of whom recommended a price not exceeding £25,000 and the other not exceeding £30,000. In both cases, the valuers' opinion was that the

ransom strip principle did not apply as an alternative access was possible, so the access area was worth considerably less than the figure supplied by Pocock & Shaw.

10. A recommendation to accept the applicant's offer of £35,000 for the right of access was declined by the Housing Portfolio Holder on 21st April 2010 as being too low a price. It was requested that the Lands Officer renegotiate a more realistic offer for the easement.
11. A decision to accept the applicant's revised offer of £73,500 for the access, subject to deferral of payment until 12 months from grant of planning consent for the scheme, was deferred on 19th May 2010 by the Housing Portfolio Holder pending further information on the discrepancies between the valuations, clarification of the housing mix of market and affordable housing and any comments made by the Planning Committee.
12. The planning application was refused on 2nd June 2010 (the subsequent appeal was dismissed on 15th February 2011).
13. Pocock & Shaw were requested in July 2010 to reconsider their assessment of the access taking into account additional site costs that had arisen and if the access were to serve a scheme with an affordable housing element increased to 40% (ie 8 dwellings out of 19). They were also asked to explain why the access was valued as a ransom strip when an alternative access was possible from Rockmill End.

Their response was as follows:

- a) The two additional affordable units and the extra costs would reduce the market value of the land by £100,000, thus reducing the value of the access to £166,000.
 - b) A ransom payment for the access is justified due to the fact that in order to provide an alternative access from Rockmill End, it appears that it would be necessary to demolish £200,000 worth of existing property and reduce the size of an individual building plot with a loss of another £40 - £50,000.
14. The Housing Portfolio Holder decided on 21st July 2010 to defer any decision on the price of the easement until planning permission had been obtained for the scheme and his decision would depend on the number of affordable units to be provided.
 15. A further planning application for the scheme (S/0733/11) was allowed on appeal on 16th January 2012 and planning permission has now been granted on the site for a scheme of 19 dwellings, of which 6 will be affordable (4 socially rented and 2 intermediate).
 16. Pocock & Shaw have been requested to reassess their valuation of the access in the light of the recent planning consent and possible changes in land values since their previous assessment. Their response is that as building costs have substantially increased in this period but house prices have not, it would be reasonable to propose a reduction in the price of the easement to £152,000, being one third of the value of a site with consent for 19 dwellings, 6 of which are affordable.

Considerations

17. Pocock & Shaw have confirmed that their assessment of the access value is based on what they believe someone would pay for the site, today, with satisfactory access

and taking into account all other factors such as site costs, S106 payments and affordable housing provision.

18. A submission has been received from the applicant (Background Paper 1) requesting that his original offer of £35,000 for the easement, based on valuations he had previously obtained, be considered again in the light of increased costs of development finance, decreasing land values and the need to ensure viability for the scheme and thus the provision of affordable housing.
19. It has also been suggested by the applicant that a transfer of Title of the unadopted area could take place instead of grant of easement, with the land being subsequently adopted in conjunction with the new roadway. This would not affect the price.
20. Granting right of access would retain the area in Council ownership and residents of the new dwellings could be made liable for payment of a fair proportion of the cost of repair and maintenance of the unadopted area. Transfer of Title would enable adoption of the whole roadway and so the Council would no longer be responsible for maintenance of this area. Until adoption, any existing rights of access would need to be retained.
21. It is recommended that the parking area used by existing residents at the end of the cul-de-sac should be retained by the Council and not used by residents of the new dwellings. The original architect's plans for the Brickhills estate clearly indicate the use of this area for parking.

Options

22. Make a revised offer for the easement or the transfer of Title of the land shown orange on the plan at the price of £152,000 based on the most recent valuation by Pocock & Shaw.
23. Determine a fair price for the easement or transfer of Title of the land shown orange on the plan, taking into account the Council's best interests, the revised valuation by Pocock & Shaw and the applicant's submission.

Implications

24.	Financial	With Option 1, the scheme may not be viable and so no return for the Council would be forthcoming With Option 2, the return for the Council may be less but there would be provision of affordable housing
	Legal	Planning approval has been granted.
	Staffing	None
	Risk Management	None
	Equal Opportunities	None
	Climate Change	None

Consultations

25. Cllrs Manning, Corney and Burling have been consulted since the grant of planning permission. Cllr Manning's view is that the price of the easement should reflect the original valuation but if it is reduced in line with the new valuation then this should be the minimum. He does not agree with the idea of transfer of Title.

Consultations with Children & Young People

26. None.

Effect on Strategic Aims

27. AIM – Commitment to making South Cambridgeshire a place in which residents can feel proud to live
- the decision on this issue should help to ensure that affordable housing is in balance with the community.

Conclusions / Summary

28. It has been agreed to grant a right of vehicular access over the end of Brickhills, Willingham to serve a proposed development of 19 dwellings on land to the south, subject to planning permission for the scheme. Planning permission has now been granted on appeal for a scheme of 19 dwellings on the site, 6 of which will be affordable. A revised valuation of the access at £152,000 has been received from Pocock & Shaw based on the recent planning consent and increases in building costs but this price could make the scheme unviable.
29. The Housing Portfolio Holder is requested to determine a fair price for the right of access or transfer of Title in consideration of the above.

Background Papers: the following background papers were used in the preparation of this report:

Revised plan: Access from Brickhills, Willingham
Background Paper 1: extract from email to Lands Officer from applicant,
02/02/12

Contact Officer: Jenny Clark – Lands Officer
Telephone: (01954) 713336