

Subject:	Disposal of Land at Braypool Lane		
Date of Meeting:	9th July 2020		
Report of:	Executive Director for Economy, Environment & Culture		
Contact Officer:	Name:	Angela Dymott Anna Butler	Tel: 01273 291450 01273 293478
	Email:	Angela.dymott@brighton-hove.gov.uk anna.butler@brighton-hove.gov.uk	
Ward(s) affected:	Patcham		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1. To seek approval for the disposal of approximately 0.57 acres of grassland on the southern end of Braypool Lane currently occupied by the RSPCA Sussex, Brighton & East Grinstead Branch for their exclusive use (see site plan at Appendix 1).
- 1.2. The disposal of the land will generate a capital receipt that will be used to support the council's corporate capital strategy as part of the Medium Term Financial Strategy. The report is complemented by a separate Part Two report.

2. RECOMMENDATIONS:

That Committee:

- 2.1. Authorises the freehold disposal of the land to the tenant and that delegated powers be given to the Executive Director of Economy, Environment & Culture, Assistant Director Property & Design and Head of Legal Services to approve terms and take any necessary steps to facilitate this recommendation.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1. The land is owned by Brighton & Hove City Council on a freehold basis.
- 3.2. The site is identified in the Urban Fringe Assessment (2014) as a location suitable for Residential Development, indicating the land has the potential for two dwellings. The dwellings would be detached houses, compatible with the other plots in the vicinity.
- 3.3. The land has been occupied on an exclusive use basis by the RSPCA Sussex, Brighton & East Grinstead Branch ("RSPCA") under occupancy agreements since 2002, under which a nominal rent is paid, to reflect their charitable status. The permitted and current use is for a secure dog training and exercise field. The RSPCA maintain the land.
- 3.4. The RSPCA approached the council to purchase the freehold of the land to secure

their continued use of it. The land is in close proximity to their main operational building, The Brighton Animal Shelter, also located on Braypool Lane (shown hatched blue on the site plan at Appendix 1). Securing their continued use of the land avoids the RSPCA having to transport animals further afield for exercise. The adjacent Braypool Lane Recreation Ground is used for football and cricket, uses not compatible with dog training and exercise. Additionally, the RSPCA requires exclusive use of its exercise land for the safety of the dogs and the public. Owning the land at Braypool Lane would provide them with the long-term security for this facility they require.

- 3.5. As the land is identified for residential development (in the Urban Fringe Assessment), officers have reviewed all disposal options, summarised in Section 4 of this report.
- 3.6. The market value for the site has been assessed by an independent valuer commissioned by the council. To establish the best outcome the market value of 3 options were considered:
 - Freehold with development potential for 2 dwellings.
 - Long Leasehold with development potential for 2 dwellings.
 - Long leasehold with a restriction on development.
- 3.7. In accordance with the Asset Disposal Process, the site has been offered to the New Homes for Neighbourhoods Team and Housing Team. Due to the low number of potential dwellings on the site (2 dwellings) and its location, the site is not viable for the development of affordable housing and is therefore not considered suitable for council housing development.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 Option 1: Do nothing

The council would continue to own the land and receive the nominal income. Retaining this land does not fit with the Asset Management Plan or the capital strategy. The land is surplus to requirements and is not required for future operational use. The land has a peppercorn rent so the income is nominal against the capital receipt that could be obtained. Retention of the land will not secure a capital receipt.

4.2 Option 2: Disposal of the freehold of the site on the open market

Marketing this property on the open market would ensure a receipt representing market value and therefore best consideration is achieved from the disposal. A good level of demand for the site would be expected and a range of bids received reflecting the development potential for the site.

A residual valuation has been undertaken on the basis of planning permission being granted for two, 4 bedroom detached dwellings. This valuation is based on comparable based assumptions, but is sensitive to changes in these assumptions, which may result in a lower or higher price paid for the land.

This option would deliver 2 houses on the site. However, it would not deliver affordable housing which is the most needed accommodation in Brighton & Hove, in particular affordable 2 and 3 bed family homes. Reflective of the neighbouring properties, the housing developed would be larger detached properties.

This option would have an adverse impact on the RSPCA operations. If progressed, an alternative location for the RSPCA training area would need to be found. Due to the location of the shelter this would probably require the need to transport the dogs elsewhere for their exercise/training. This is likely to have an impact on the RSPCA's ability to use volunteers that they rely on to exercise the animals.

It is also expected that this option would result in the loss of the field as a purchaser would likely acquire the site for development.

4.3 Option 3: Disposal of the site by way of a long lease

The site would be sold on a long lease of at least 99 years, with the purchaser paying a premium for the lease with a notional annual rent. As a result, any future development could only be sold on a leasehold basis as opposed to freehold.

Proposed legislation implementing reforms to the leasehold system stipulates that it will not be possible to grant leases on new houses for longer than 21 years. As the development on the site would likely be for single houses, in accordance with the proposed legislation, it would not be possible to sell these on leases for longer than 21 years.

Although the legislation has not been enacted and to date there is little evidence regarding the impact of the legislation on land value it is anticipated that this will have a detrimental impact on the premium paid for the long lease due to the potential statutory restrictions.

4.4 Option 4: Disposal of the of the site with a restriction on development

This would prevent any purchaser developing the land and benefitting from the uplift in value. Such restriction impacts the site value based on use. Interest is likely to be limited to owner occupiers for use as grazing or pony-paddocks/stabling – however, there are no services to the site which would impact on the value further.

Based on values of sites of a comparable use, a value in the region of £6,000 could be achieved if sold or let on a long lease with development restrictions. This is much lower than the anticipated market value permitting development, and the value RSPCA are willing to pay. This option would not maximise the capital receipt for the site.

4.5 Option 5: Disposal of the site to the RSPCA

The RSPCA have advised they would prefer to purchase the freehold of the site. They are not considering a redevelopment of the land as they wish to continue using it for the existing purpose of exercising and training dogs. However, selling the land with a restriction preventing development does not represent the best option for the site resulting in a lower capital receipt to the council.

In addition, the charitable status of the RSPCA requires that they pay a fair value for the site and are unable to pay more than the market value. Despite, not wishing to develop the land, the future sale value of the asset needs to be considered by them should they be required to dispose of the asset in the future – having restrictions on the land will impact on this value. The tenant has confirmed

that they are willing to pay the market value for the freehold site, as determined by the Market Valuation considering planning consent obtained for two dwellings.

The social benefits of this option are significant. The RSPCA have an established shelter at Braypool Lane, with the shelter taking in animals not only from the local area but also from around the UK. They work with Sussex Police on animal cruelty cases and are a referral service for injured strays and abandoned dogs. Amongst many other services being provided, the Branch offers services to low income families and dog-training to families.

With a policy on re-homing, and a licence to hold over 100 dogs on site, the training field is imperative to their continued operation and the exercise of these dogs. The location of the field allows the staff and volunteers convenient access, rather than using vehicles to transport dogs for training elsewhere. Whilst development would be permitted, the RSPCA intend to continue using the field for the existing use, ensuring that the site will be retained as a field and green space and also securing the retention of the RSPCA shelter within the city.

This option will mean that the site is not developed for housing in the short-term. However, if it was developed it is likely it will be for two larger family houses in keeping with the neighbouring developments rather than meeting the required housing needs in the city.

Owning the site with no development restrictions will give the RSPCA the option of expanding their current shelter into the site, alongside the training field should it be required long-term, again ensuring the retention of the RSPCA shelter in this location. Alternatively, whilst not the intention of the RSPCA, there will still be the option to develop the for residential use in the future, whilst in the interim the site is put to a beneficial use as a training field.

Despite their intention to retain the land as their training field for their own use, the RSPCA are willing to pay market value for the site (based on a market valuation). This option will not incur any marketing or agent fees, but will give a capital receipt equal to that possible under Option 2.

4.6 Option 6: The council to develop the site for Council Housing

As described in paragraph 3.7, it has been confirmed by the New Homes for Neighbourhood Team and Housing Team that due to its location and size the site is not considered suitable for Council Housing because of the low housing density achievable. There are alternative sites available to the council that are more suitable to assist in the delivery of the 800 new affordable homes by 2023 target.

5. **COMMUNITY ENGAGEMENT & CONSULTATION**

5.1 The tenant has been consulted. Consultation with neighbours is not considered applicable at this stage. Should there be development on the site, neighbours would be consulted as part of the planning process.

5.2 The Asset Management Board have been consulted on the Asset Disposal Process presented to and approved by this committee on 19 March 2020. The Asset Disposal Process sets out the criteria and decision-making process by which land assets are identified for disposal.

6. CONCLUSION

- 6.1 The loss of rental income is of such nominal value a capital receipt is preferable.
- 6.2 There is a significant variance in the potential capital receipt for each disposal option. The best value of the site is for the sale of the freehold without development restrictions. The RSCPA have agreed to pay market value for the site, resulting in the council receiving the full market value of the site with development potential now, whilst also protecting the existing social value and environmental benefits of this urban fringe site, providing the RSPCA with exclusive use for their dog training and exercise and fulfilling an essential purpose for dogs in need within the City.
- 6.3 The recommendation is to dispose of the freehold interest in the site to the tenant.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The net capital receipts, less any disposal costs, will be used to support the Council's corporate Capital Investment Strategy. This will include Corporate Investment Funds such as the Strategic Investment Fund, IT&D Fund and Asset Management Funds plus modernisation investment. As the freehold of the land is being disposed of with no development restrictions this will ensure that the best market value prices will be obtained. There is a minimal rental income received at present which will no longer be forthcoming, however, this is outweighed by the opportunity to maximise the capital receipt.

Finance Officer Consulted: Rob Allen

Date: 17/06/20

Legal Implications:

- 7.2 The Council has general powers to dispose of land under Section 123 of the Local Government Act 1972 provided it does so for the best price/consideration reasonably obtainable. This report confirms that the amount the tenant is willing to pay for the freehold site represents best consideration as assessed by an independent valuation commissioned by the Council.

Lawyer Consulted: Joanne Dougnaglo

Date: 05/06/2020

Equalities Implications:

- 7.3 It is considered that the proposal would not negatively impact on any particular group in relation to their 'protected characteristics'. Therefore, no equalities implications have been identified as arising from this report.

Sustainability Implications:

- 7.4 The field will remain in its current use and therefore the environmental benefits of maintaining the field in grass will be protected. Should there ever be any change

of use the sustainability issues will be considered as part of the planning process relating to any future development.

Brexit Implications:

7.5 No Brexit implications have been identified as arising from this report.

SUPPORTING DOCUMENTATION

Appendices:

1. Site Plan

Background Documents

None