Dear Madam

Strictly Private and Confidential
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Advice to Broomhaugh and Riding Parish Council

1. Introduction

1.1. We are asked to advise Broomhaugh and Riding Parish Council ("the Council") on issues concerning restrictive covenants affecting land in Riding Mill ("the covenants") of which the Council has the benefit.

1.2. The request for this advice follows the recommendation of the District Auditor by letter dated 10 March 2009 that the Council should "commission and consider expert legal advice on the Public Law aspects of the enforceability of the covenants generally and in the northern area particularly where there is some doubt in the current advice as to their enforceability."

2. The Covenants

2.1. The history of the covenants has been set out at length elsewhere – in particular the counsel's opinion of Mr Charles George and Mr Philip Petchey of 29 October 2001 obtained by the National Association of Local Councils ("Counsel's Opinion"). We will not repeat that history at length here, but in summary:

(a) Riding Mill Estate Company Limited ("the Company") owned and developed land at Riding Mill as a residential building estate.

(b) It imposed covenants when selling the individual plots, in terms which were not uniform but which in essence prevented both the erection of a separate building and an extension to existing dwellings, unless the consent of the Company was obtained. (It may be that in some cases new building was absolutely prohibited. We have not seen all of the covenants, and for the purposes of this letter rely principally on the summary of the covenants in Counsel's Opinion.

(c) On 15 January 1973 after all the building plots had been developed and disposed of by the Company, the Company transferred to the Council all remaining land held by it, comprising roads, bridges and amenity land.

(d) The benefit of the covenants (and with it the right to give or withhold consent) was expressly assigned to the Council at that time.

2.2. In 1986 the Council additionally acquired from the owners of Garth House, Riding Mill title to land known as "the Nick", being a way adjacent to Garth House which had also formerly been part of the land owned by the Company.

2.3. The Council has charged for release/modification of the covenants in the past, and Counsel's Opinion advised upon issues arising out of that.

2.4. Whilst the District Auditor's letter recommends advice be taken on "the Public Law aspects of enforceability of the covenants", we think we need to begin by reviewing the issues pertaining in general law to their enforceability, as any public law consideration must begin from an understanding of those general issues.

3. **Enforceability of the covenants under general law**

3.1. In their advice counsel drew a distinction between covenants affecting plots in the northern and southern areas. This distinction was based upon the difference in status between the road serving the northern area, Sandy Lane, which is a highway maintainable at public expense, and the roads serving the southern area, Millfield Road and Marchburn Lane, which are not.

3.2. We think the summary of the relevant parts of Counsel's Opinion as set out by the District Auditor is both accurate and most succinct, and we think it worth repeating here:

"The advice provided to the Parish Council concluded that:

- the Parish Council was the rightful successor to the benefits and liabilities of the former Estate Company;
- this included the rights and benefits contained in the individual conveyances of residents in the development areas;
- the right to enforce the covenants in the northern area was doubtful because the Council did not own the highways themselves but only the sub-soil upon which they sit;
- despite these doubts there is nothing unlawful in seeking to charge;
- charging for the release of covenants to permit extensions (as opposed to plot sub-division and building new dwellings) may also be doubtful particularly where the householder has had planning approval for the development because there is a high degree of likelihood that a householder in these circumstances would be successful in challenging the application of the covenants through the Land Tribunal process;
- each covenant needs to be considered on its merits as they all differ in content; and,
- notwithstanding these doubts the advice said that there was nothing unlawful in the Parish Council seeking to charge householders for the release of the covenants for extensions to, "avoid the trouble and cost of [them] making an application to the Lands Tribunal."

In essence then the Parish Council's legal advisers concluded that the only

area of the development where the right to charge for the release of covenants was not in doubt was in the southern area when householders sought to subdivide their plots and build new dwellings. In the northern area and for covenants relating to extensions the advisors concluded that the right was doubtful but to seek to charge was not unlawful."

3.3. To expand slightly on the District Auditor summary of Counsel's Opinion, we would add that in considering the case for enforcement of the covenants to be stronger in respect of the southern area, counsel relied upon the case of *Re Gadd's Land Transfer* [1966] Ch. 56 and the point that an increase in the number of houses which utilise a road does potentially adversely affect the owner of it. In granting in that case a declaration that the landowner was able to enforce the restrictive covenants, Buckley J said:

"There may not be very substantial interests or benefits which result to the defendant company from possible enforcement of the restrictive covenants, but nevertheless I do not think they are wholly negligible."

3.4. Counsel regarded the enforceability of the covenants against plot sub-division in the northern area as "doubtful" because of the status of Sandy Lane as a highway maintainable at public expense; in those circumstances the Council was considered not to have a sufficient practical benefit in enforcing the subdivision covenants, owing to the fact that ownership of the surface of the roads rests with the highway authority (rather than, as with the southern area, the Council). We see the force of that argument so far as the roads are concerned, but we will return to it at paragraph 3.11 below.

3.5. We also note that counsel referred to the principle in *Stockport MBC v Alwiyah Developments* [1983] 52 PCR 278, namely that in any case before the Lands Tribunal for modification or discharge of restrictive covenants, loss of bargaining power suffered by the owner of the benefit of the covenants is not a material factor; we note further that that principle has since the date of Counsel's Opinion found favour before the Court of Appeal in *Winter v Traditional and Contemporary Contracts Limited* [2007] EWCA Civ 1088. In other words, it remains the case that in any application before the Lands Tribunal the Council could not, whether in seeking to oppose the discharge or modification of the covenants or in seeking an award of compensation for their discharge or modification, rely on their loss of an opportunity to seek a commercial settlement related to increase in development value of the burdened land. It would remain necessary for it show that the covenants confer a practical benefit on the Council.

3.6. We do however think that in considering practical benefit, in addition to the roads and bridges regard may properly be had to the amenity lands conveyed to the Council by the Company in 1973. One of the 1973 conveyances included three parcels of land lying close to and in part between the northern and southern areas. The largest area of amenity land (marked "A" on the conveyance plan) is stated in the conveyance as containing 6.50 acres or thereabouts. The acreage of the other two areas is not stated, but together they are smaller than area A. The 1973 conveyance recites the intention of the Council to hold all three areas "in trust for the perpetual and unrestricted use thereof by the public for exercise and recreation pursuant to the provisions of the Open Spaces Act 1906" and goes on to contain a declaration by the Council that the lands are to be held for those purposes.

3.7. Lands which are acquired and held by local authorities pursuant to the Open Spaces Act 1906 are subject to section 10 of that Act which provides:

"A local authority who have acquired any estate or interest in or control over any open space or burial ground under this Act shall, subject to any conditions under which the estate, interest or control was so acquired –

(a) hold and administer the open space or burial ground in trust to allow, and with a view to, the enjoyment thereof by the public as an open space within the meaning of this Act and under proper control and regulation and for no other purpose; and

(b) maintain and keep the open space or burial ground in a good and decent state…"

Having regard to that statutory duty to maintain the amenity lands, and to the common duty of care which the Council owes to those members of the public exercising rights to enter on the amenity lands for their recreational purposes, we would consider that there is a material practical detriment to the Council, in terms of potential additional maintenance requirements arising from intensified use following subdivision of plots, arising out of the Council's ownership of the amenity lands (which appear to serve both the northern and southern areas).

3.8. We note that in Counsel's Opinion brief reference was made to the amenity land, in a footnote to paragraph 18. Counsel said "it does not seem to us that the Parish Council's ownership of the amenity land is very relevant in this context". No reasons are given in Counsel's Opinion for this conclusion so it is difficult to comment further on it, but respectfully we do not share it. It seems to us that, whilst the consequences of additional use and resulting additional maintenance requirements arising from subdivision of plots may be lesser in degree with amenity areas than with roads, nevertheless those consequences are not "wholly negligible", and this is the relevant test according to the decision in *Re Gadd's Land Transfer* as cited with approval in Counsel's Opinion (see paragraph 3.3 above).

3.9. There is a further point in relation to the amenity land to which we think reference needs to be made. Notwithstanding the declaration in the 1973 conveyance, it would be open to the Council if due procedures were followed to dispose of the amenity areas for alternative uses. The relevant statutory provisions are in the Local Government Act 1972 section 127 and section 123 (2A) and (2B). In appropriate cases, which would generally involve consideration that there was a surfeit of amenity land in a particular area and that some of it ought properly to be disposed of for alternative uses, the Council may following advertisement of such proposals and due consideration of any objections to them, resolve to dispose of amenity lands. Any such disposal, following a proper application of the statutory processes just described, would free the lands from the statutory trusts arising under the Open Spaces Act 1906 – in other words notwithstanding the wording of the relevant conveyance the lands could be used for any other purposes for which planning permission could be obtained.

3.10. We have no instructions that the Council has any intentions to take any such steps now or in the future, and any such steps would need to take account of planning allocations for the lands at the relevant time and planning policy

generally. Those matters are outside the scope of this advice. However, we consider that if an application for discharge or modification of any of the sub-division covenants were to come before the Lands Tribunal, then in assessing the practical benefit to the Council in enforcement of the covenants, it would be appropriate for the Tribunal to consider the inherent potential for development of the amenity lands, and any effect on the "hope value" of those lands which intensification of neighbouring development might represent. For present purposes we do not think too much weight should be given to this point, but we do think that this point, when taken with paragraphs 3.6 – 3.8 above, means that the Council's ownership of the amenity lands do bring with them practical benefits that are not "wholly negligible".

3.11. The Council has also referred us to its acquisition of land at "the Nick", being a way adjacent to Garth House which gives access to and from Sandy Lane. The Council acquired ownership of this land in 1986 by conveyance from the then owners of Garth House. As a result of recent modification of the highway authority's definitive map, the Nick is recorded on the map as a restricted byway. This designation means that the general public have rights of way along it on foot, on horseback or leading a horse, and for vehicles other than mechanically propelled vehicles. We understand the Nick has a tarmac surface, and is also used by vehicles (but without this being a general public right) to gain access to and egress from Sandy Lane, which it seems in practice must entail use either by the residents of the properties in Sandy Lane within the northern area, or their visitors or others needing access to their properties.

3.12. We have made informal enquiries with the highway authority Northumberland County Council as to the status of the Nick. We understand that at the time of the making of the modification order by which its status as a restricted byway was recognised, it was not necessary for the highway authority to reach any conclusions as to whether the Nick is maintainable by the highway authority or not – it was only necessary for the highway authority's immediate purposes to determine the nature and extent of the public rights over it. It is therefore unascertained whether the Nick in highway maintenance terms is (a) maintainable by the highway authority as a highway maintainable at public expense or (b) maintainable by into-one. However, even if the Nick were a highway maintainable at public expense, the duty of the highway authority would be to maintain it only to the standard consistent with the public rights over it, being rights on foot, on horseback or leading a horse, and for vehicles other than mechanically propelled vehicles. So the highway authority would not in any event be obliged to maintain the Nick to a standard necessary to support full vehicular use.

3.13. Accordingly, it is likely that the intensification of use of the estate roads resulting from sub-division of plots would affect the Nick as it would affect the roads in the southern area, so that the Council as the owner of the Nick would be affected.

3.14. We understand that in practice, by arrangements between the Council and a Residents' Association, the Residents' Association maintains the Nick, but Counsel did not think such arrangements affected the enforceability of the covenants in Millfield Road and Marchburn Lane, and we respectfully agree. The same point applies here.

3.15. In conclusion on the general property law aspects of this, there appear on the

information before us to be three reasons not to make such a marked distinction as to the likely enforceability between the northern and southern areas as has previously been made:

(a) we do respectfully consider counsel to have understated the relevance of the ownership of the amenity land to the question of plot sub-division;

(b) counsel do not appear to have considered at all the underlying “hope value” of the amenity land; and

(c) the ownership and maintenance issues affecting the Nick do not seem to have been before counsel for consideration at the time of their opinion, and in our view these are relevant issues.

There may be questions of degree here, and given the remaining difference in highway maintenance responsibility between the northern and southern areas it may well be that the Lands Tribunal would find a greater practical benefit to the Council deriving from the covenants in the southern area. However we think any differences here are differences in degree only and their significance is in danger of being overstated: whilst they may go to the value of any consent or release in the sense that the district valuer should take account in assessing nuisance value of the probability of a successful enforcement, we do not think there is a clear distinction.

3.16. We now turn to the public law considerations affecting enforcement of the covenants.

4. Section 127 Local Government Act 1972 – best consideration

4.1. The Council is subject to section 127 of the Local Government Act 1972, which provides: -

"(1) Subject to the following provisions of this section, a parish or community council, or the parish trustees of a parish acting with the consent of the parish meeting, may dispose of land held by them in any manner they wish.

(2) Except with the consent of the Secretary of State, land shall not be disposed of under this section, otherwise than by way of a short tenancy, for a consideration less than the best that can reasonably be obtained."

4.2. There are three questions that might legitimately by posed to the applicability of section 127 to the present situation:

(a) Is the benefit of the covenants "land" for these purposes?

(b) Is a release of the covenants a "disposal"?

(c) Is the granting of consent a disposal?

4.3. *Is the benefit of the covenants "land" for these purposes?*

The first of these questions can easily be disposed of. Section 270 of the 1972 Act provides that for the purposes of the Act "land" includes any interest in land and any easement or right in, to or over land. It perhaps needs to be acknowledged that the benefit of a restrictive covenant is an equitable rather

than a legal interest, but the Act makes no distinction between legal and equitable interests and we consider the benefit of covenants to fall within the definition.

4.4. *Is a release of the covenants a "disposal"?*

Whilst a release of covenants may not be a "disposal of land" in the sense in which that term is most commonly understood, we think it must nonetheless constitute a disposal of the Council's interest for present purposes: before the release, the Council has an equitable interest in or right over land in that it has the right to enforce the covenant; after the release it does not, having in effect surrendered that right to the owner of the land burdened by the covenant in whose favour the release is made. That seems to us to be a disposal of the interest or right, though given that we have been able to find no case law or government guidance on this (and there is a government circular 06/2003 on disposals at less than best consideration – see paragraph 4.7 below) the point probably cannot be regarded as entirely free from doubt.

4.5. *Is the granting of consent a disposal?*

On the one hand a consent to say an extension would leave the Council unable to enforce a covenant in respect of that extension – to that limited extent, applying the analysis in the immediately preceding paragraph, the Council's right to enforce against that extension has been surrendered to the owner receiving the consent. On the other hand, the Council would remain entitled to the benefit of the covenant in respect of any future proposed extension or further development. Even if, in a case where the terms of a covenant permitted sub-division with consent, such consent were given the giving of consent (as opposed to a release) would leave the Council free to prevent further sub-division of/extensions on one of those two plots. On balance we think a giving of consent to works pursuant to covenants, particularly where the giving of consent in appropriate cases is anticipated in the terms of the covenant, is not a disposal for the purposes of section 127, but again the point is probably not free from doubt.

4.6. We think therefore the answers to the questions posed in paragraph 4.2 are: definitely; very probably; probably not.

4.7. It should be noted that the duty under section 127 is not an absolute duty to obtain best consideration in all cases. Rather, it is a negative duty not to sell for less than best consideration without Secretary of State's consent, and it is open to a disposing council to seek such consent in cases where it considers this appropriate. There is a general consent, which allows councils to dispose of land at an undervalue of up to £2 million where they consider this is likely to contribute to economic, social or environmental well being. The general consent was given by circular 06/2003, which also sets out advice for authorities wishing to dispose in reliance on the general consent. Paragraph 6 of circular 06/2003 contains the following advice:

"Generally it is expected that land should be sold for the best consideration reasonably obtainable. However, it is recognised that there may be circumstances where an authority considers it appropriate to dispose of land at an undervalue. Authorities should clearly not divest themselves of valuable public assets unless they are satisfied that the circumstances warrant such action. The Consent has been issued to give local authorities autonomy to

carry out their statutory duties and functions, and to fulfil such other objectives as they consider to be necessary or desirable. However, when disposing of land at an undervalue, authorities must remain aware of the need to fulfil their fiduciary duty in a way which is accountable to local people."

5. **The Council's fiduciary duty**

5.1. Councils' fiduciary duties were explained by the Court of Appeal in *Prescott v Birmingham Corporation* [1955] Ch.210 and by the House of Lords in *Bromley LBC v Greater London Council* [1983] 1 A.C.768.

5.2. In the *Birmingham* case the defendant Corporation was found to have acted unlawfully in introducing a scheme of free travel on its public transport at a time when there were no statutory powers for such schemes. The Court held that the Council's transport undertaking was to be run as a business venture, the fares being fixed by the Corporation at their discretion in accordance with ordinary business principles, although in operating such undertaking the Corporation need not be guided by considerations of profit to the exclusion of all other considerations.

5.3. In the *GLC* case the GLC was similarly held to have exceeded it statutory powers by the way in which it subsidised the London Transport Executive at the expense of its tax payers. The judgement of Lord Denning included the following:

"It appears to me that the GLC owed a duty to both the travelling public and to the ratepayers. Its duty to the travelling public is to provide an integrated, efficient and economic service at reasonable fares. Its duty to the ratepayers is to charge them as much as is reasonable and no more. In carrying out those duties, the members of the GLC have to balance the two conflicting interests – the interest of the travelling public in cheap fares – and the interest of the ratepayers in not being overcharged. The members of the GLC have to hold the balance between these conflicting interests. They have to take all relevant considerations into account on either side. They must not be influenced by irrelevant considerations. They must not give undue weight to one consideration over another, lest they upset the balance. They must hold the balance fairly and reasonably."

5.4. From the above cases and from government circular 06/2003 it is clear that the starting point for local authorities proposing to dispose of assets which have an economic value should be to apply business principles to realise the full value of those assets so as to minimise the burden on tax payers. Maximising value and profit should not be applied to the exclusion of all other considerations, but only where other material considerations suggest, following a balancing of those considerations with the duty to tax payers, that full value for the assets should not be sought, will it be lawful to proceed in that way. The "other material considerations" might as in the GLC case, where the provision of a statutory service is involved, be the provision of that service in an efficient and economic way, or where the disposal of land is involved which does not involve a direct service provision as such, it might as envisaged by the general consent in circular 06/2003 be the promotion of social, economic or environmental well being.

5.5. So far as the owners of the lands affected by the covenants are concerned, whilst we would advise that any policy formulated by the Council should allow

a proper consideration of the circumstances of individual cases, we would find it difficult as a matter of general principle to identify any material considerations that would suggest that where covenants have a value that is more than negligible, the full value of the benefit of those covenants should not be extracted. It might perhaps be argued by the owners of the burdened lands that the purposes for which the covenants were originally imposed are now adequately met by a combination of (1) the planning system which has subsequently arisen and (2) the building scheme which has been found by the Lands Tribunal to apply and which makes the covenants mutually enforceable amongst the various property owners. But it also needs to be considered that releases will generally increase the value of the burdened lands (and in the case of plot sub-division increase them significantly) so payment for a release is likely to procure that the general electorate through the Council's agency merely receives its due proportion of the increase in the development values of the burdened lands. In balancing the considerations it seems to us that Council's duties to the tax payer will carry considerably more weight in this case and that the Council's policy should continue to presume in favour of charging for releases or consents, particularly in the case of sub-division of plots where these will have a significant value.

5.6. The District Auditor's letter refers to perceived doubts about the enforceability of some of the covenants, and suggests that these doubts represent a weak basis on which to proceed with any charging policy. It follows from our advice in section 3 of this letter that we think the Council's chances of enforcing the plot sub-division covenants are not significantly different as between the northern and southern areas. With both areas, until an application for modification or discharge of the restrictive covenants is brought before the Lands Tribunal, it cannot be known whether the Tribunal would grant the application or not. The Council does in our analysis have a practical benefit that is more than "wholly negligible" and therefore at least some prospect of success in upholding the plot sub-division covenants. Those covenants have at the very least a "nuisance" value. Having regard to section 127 of the Local Government Act 1972 and the Council's fiduciary duty, we think it appropriate that the starting point in any policy should be to seek to charge a reasonable sum in respect of any release of the sub-division covenants, in accordance with the advice of the district valuer, unless particular circumstances around the individual application indicate otherwise.

5.7. So far as the covenants preventing extensions are concerned, there appears to be reason to think that in circumstances where planning permission for an extension was obtained, then unless that was a particularly sizeable extension significantly increasing the habitable area of the property (leading to considerations of intensification of use of the roads and amenity areas) the covenant is likely to be discharged without compensation to the Council. In those circumstances the no-extension covenant probably has no commercial value so as to engage section 127 and the Council's fiduciary duty. We do not think this would preclude the Council from charging a reasonable administrative fee for the processing and giving of its consent.

6. <u>The Council's Charging Power</u>

6.1. The District Auditor's letter also raises the following points:-

"I am also concerned about whether the Parish Council has properly considered whether it is appropriate to seek to impose a charge for the

purpose of raising revenue generally in circumstances where:

- The covenants were originally imposed for the purpose of assisting with development control and for raising revenue for the purpose of maintenance of roads and bridges;

- The council's legal advice is that in some cases the covenants are of questionable value and could be subject to successful challenge in the Lands Tribunal; and

- The legal advice that the council has obtained did not consider the public law considerations of the council's policy.

I think that there is an important issue of public policy raised by the Parish Council's actions. Public bodies should only seek to charge where there is clear and express power to do so coupled with a clear basis upon which any charge could be enforced. In this case the Parish Council's own advice, with which I respectfully concur, raises doubt about both factors."

6.2. That local authorities should only seek to charge where there is express power to do so is clearly correct. In this case the statutory basis for charging comes from section 127 of the Local Government Act 1972. The more pertinent questions raised by the District Auditor are:-

.1 does the fact that there is a perceived doubt about enforceability of the covenants mean that the Council should not, on public law grounds, seek to charge?

.2 Is the original purpose for which the covenants were imposed relevant a) to the question of whether a charge should be sought to be imposed and/or b) to the purpose for which any income received is to be applied?

6.3. On the first question, it perhaps needs to be acknowledged that even with those covenants where the Council's case is perceived to be stronger, successful enforcement could not be guaranteed. Counsel's Opinion at paragraph 31 states (with our emphasis added) "as regards to the southern development, the Parish Council is on stronger ground as regards charging because each additional house does represent additional use of the road; thus if the owner were to make an application to the Lands Tribunal to modify the covenant, the Tribunal *might* decline to modify it". However, the Council's interest in the covenants has a value because equally from the perspective of a land owner burdened by the covenants, success before the Lands Tribunal in seeking to have the covenants modified or discharged could not be guaranteed, and it is at one end of the spectrum probable that compensation would be awarded to the Council if they were modified or discharged, and at the other end at least possible and therefore of "nuisance" value.

6.4. We would accept that doubts about enforceability are a consideration for the Council in determining whether to charge, so that in an apparently hopeless case (and a very minor extension for which planning permission had been obtained might depending on the particular circumstances fall into that category) it would be prudent not to seek to charge. However, so long as there is a possibility of successful enforcement and on the District Valuer's advice corresponding "nuisance" value that was more than de minimis, we

consider it appropriate for the Council to seek to charge in accordance with its fiduciary duty as outlined in section 5 of this letter.

6.5. Whilst the District Auditor suggests a need for “a clear basis upon which any charge could be enforced”, respectfully we think this fails to address the fact that the enforceability of covenants can rarely be stated with any certainty until those particular covenants and the facts pertaining to them are brought before a Court or the Lands Tribunal; this does not mean they do not have a value – quite the reverse – and it will therefore generally be incumbent on councils, subject to all we say above, to seek to exploit such values for the benefit of their tax payers.

6.6. On the questions at paragraph 6.2.2 above, firstly we are uncertain as to the sources from which the District Auditor infers the original purposes of the covenants. We would accept that "development control" is a common and natural purpose in imposing covenants, but we are not aware that the conveyances imposing the covenants expressly state their purpose, and we are unsure on what basis it is inferred that part of the covenants' purposes was "for raising revenue for the purpose of maintenance of roads and bridges" – we have found nothing to support this.

6.7. In any event, whilst we consider it would be appropriate for the Council to take the original purposes of the covenants into account, in carrying out the "balancing act" described at paragraphs 5.4 and 5.5 above, and whilst the weight to be given to those original purposes as material considerations would be a matter for the Council, we think it would be wholly wrong to suggest that as a matter of public law the Council should be precluded from seeking to charge for release of those covenants merely because the original purpose of the covenants had become redundant.

6.8. As for the application of income received for releasing the covenants, we consider that the Council is free to apply such income to any lawful purposes to which the Council may apply its funds generally. The covenants are an interest in land and any income from disposing of such an interest is available to be applied as the Council sees fit. We see no basis for connecting the use of such income to the original purposes of the covenants, even where those purposes can be clearly identified.

6.9. Accordingly in summary our answers to the questions at paragraph 6.2.2 above are: -

(a) Yes the original purpose may be a relevant and material consideration for the Council in considering whether to charge, but not an overriding consideration and

(b) No.

6.10. We would hope the above sets out for the Council's purposes the public law considerations relevant to its formulation of a policy to be applied to the covenants in the future. Obviously the content of that policy will be for the Council to determine, but we will be happy to assist further with that if necessary.

Yours faithfully

Ward Hadaway