

Report of :	Head Of Property Services
Report to:	Chief Asset Management and Regeneration Officer
Date :	12 May 2014
Subject :	Design & Cost Report for Hallfield Lane Car/Lorry Park Improvements, Wetherby
Capital Scheme Number:	32057 / 000 / 000

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):	Wetherby	
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:	10.4(3)	
Appendix number:	1	

Summary of main issues

1. Leeds City Council own the subject site which comprises the Hallfield Lane lorry and car park and which totals (1.16acres) 0.468 ha.
2. The site is situated close to Wetherby town centre and adjacent to Wm Morrison Supermarket store and is used as informal public car parking. The site is subject to short term tenancy arrangements with the party detailed in the confidential appendix to this report and who provide the car park on a pay and display basis.
3. The supermarket chain obtained detailed planning consent (no.12/03034/FU) in November 2012 which approves the extension of the existing Wetherby supermarket store to provide additional retail floor space within the shell of the existing building.
4. The proposal seeks to extend the store into existing retail space within the centre but does not increase the overall footplate of the existing buildings.
5. Conditions contained within the planning consent require, among other things, that the Council's ownership comprising the lorry and car park be formally set out, improved and landscaped as a public car park and that a management plan be

agreed for the running of the facility to be created to support the supermarket development and to improve on town centre car parking in Wetherby.

6. Wm Morrison Supermarkets plc have approached the City Council with a proposal to fund substantial improvements to the car park in order to satisfy the planning consent requirements and provide enhanced town centre car parking to the site.
7. Negotiations have taken place between the City Council and the supermarket and the outcome of those negotiations are detailed in the confidential schedule attached to this report.

This report seeks approval to:

- 1) The terms by which the City Council will undertake the works to the site as outlined in paragraph 1.0 of the confidential appendix attached to this report.
- 2) The injecting of the sum outlined in the confidential appendix into the capital programme to cover the works and a commuted sum for maintenance from the Director Of City Development.
- 3) Incur the expenditure outlined in order to undertake the works of improvement to the car park once the proposed transaction has been contractually formalised between the Council and Wm Morrison Supermarket plc.

Recommendations

8. It is recommended:
 - i) that the terms provisionally agreed between the City Council and Wm Morrison Supermarket plc outlined in the confidential appendix which provide for the laying out and landscaping of a car park to Hallfield Lane lorry and car park be approved and
 - ii) that the Chief Asset Management and Regeneration Officer approves the injection of the sum identified in the confidential appendix into the capital programme in order to fund the works and
 - iii) that the Chief Asset Management and Regeneration Officer authorises the incurring of the expenditure in that sum to undertake the works.
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1 Purpose of this report

1.1 The purpose of this report is:

- i) to present a proposal and terms negotiated between the Council and Wm Morrison Supermarket plc under which the City Council will undertake substantial improvements to the subject property with a 100% financial contribution from the supermarket, for approval and
- ii) to seek an injection of the sum required to undertake the works as specified in the confidential appendix from the Director Of City Development and

- iii) to seek Chief Asset Management and Regeneration Officer authority to incur the expenditure as detailed in the confidential appendix, to complete the works once the terms of the transaction are contractually regularised between the parties.

2 Background information

- 2.1 Leeds City Council own the subject site which totals 0.468 ha (1.16 acres) and which comprises the Hallfield Lane lorry and car park in Wetherby.
- 2.2 Wm Morrison Supermarkets plc own and operate a substantial supermarket together with ancillary car parking at the Wetherby town centre located Horsefair Centre which is situated across Hallfield Lane close to the subject property.
- 2.3 The supermarket obtained detailed planning consent (no.12/03034/FU) in November 2012 which approves the extension of the existing store to provide additional floor space to the supermarket.
- 2.4 The proposal seeks to extend the store into existing retail space within the centre but does not increase the overall footplate of the existing buildings.
- 2.5 Conditions contained within the planning consent require, among other things, that the Council's ownership, which comprises the lorry and car park, be formally improved and set out as a public car park with landscaping and that a management plan be agreed for the running of the facility to be created to support the supermarket development.
- 2.6 Wm Morrison Supermarket plc have approached the City Council with a proposal to fund the substantial improvements to the car park in order to satisfy the planning consent requirements and provide enhanced town centre car parking to Wetherby helping to alleviate and improve on town centre public car parking.

3 Main Issues

3.1 Design Proposals and Full Scheme Description.

- 3.1.1 Negotiations have taken place between the City Council and the supermarket chain and the outcome of those negotiations are detailed in the confidential schedule attached to this report.
- 3.1.2 The proposals reported embody an obligation for the City Council to carry out works of improvement to the subject site to set it out as a new town centre public car park with funding provided by Wm Morrison Supermarket plc.
- 3.1.3 The payment proposed encompasses three elements covering the cost to the Council of undertaking the works, subsequent maintenance of the proposed new car park and an element to cover the commitment that the Council would make as landowner to covenanting to setting the area aside as a public car park. These are detailed in the confidential appendix.
- 3.1.4 It is now intended that the terms of the agreement between the City Council and Wm Morrison Supermarket plc be agreed and, that the Chief Asset Management and Regeneration Officer approves an injection of the capital required to undertake the works and also gives approval to the incurring of the necessary expenditure to undertake the works once completion of the contractual arrangements with regards to the terms of the transaction have been completed.

3.1.5 The scheme proposed is the laying out and landscaping of 160 car spaces on the Council owned subject sites for use as a town centre public car park offering a minimum of 110 free short term (for up to four hours per day) car parking spaces.

3.1.6 Programme –

The current estimated programme is as follows:

Commencement of Design And Procurement –May/June2014

Completion of Design, Procurement and Contract Placement –August 2014

Undertaking of Construction Works-July 2014 -November 2014

Car park opening- January 2014

4 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Ward members have been consulted regarding the proposal and are supportive of the initiative.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 No specific issues arise however the upgrading of the car park will improve on facilities supporting general public accessibility to the supermarket and town centre supporting local businesses and service provision.

4.3 Council policies and City Priorities

4.3.1 The improvement and upgrade of the car park will support public car park provision for the town centre of Wetherby enhancing public accessibility to town centre businesses and the supermarket thereby supporting the local economy, employment and service provision.

4.3.2 Advice has been taken from the Council's Capital Finance Team (Strategy and Resources) regarding funding approvals appropriate to the transaction and to the project proposed to be undertaken. It has been confirmed that the proposal constitutes a Category C Scheme under the Council's Financial Procedures as a proposal fully funded by an external funder and as works being undertaken at Morrison's behest. This permits and requires approval to the initial capital injection to fund the works and authority to incur the expenditure to be provided by the Director of City Development.

4.3.3 The Council's Capital Finance Team (Strategy and Resources) also assisted with the preparation of the Capital Funding and Cash flow table presented in para 3.0 of the confidential appendix.

4.4 Resources and value for money

4.4.1 Full scheme estimate

4.4.2 Full details are contained in the confidential appendix to this report and include all costs associated with fees, construction, and other external costs such as Planning & Building Regulations etc. The costings have been produced in-house by the

Council's Design Services Team within City Development and are considered reasonable.

4.4.3 Capital Funding and Cash Flow.

4.4.4 Full details are contained in the table presented in the confidential appendix to this report.

4.5 Legal Implications, Access to Information and Call In

4.5.1 The proposal constitutes a key decision and is therefore subject to call in.

4.5.2 Under Part 3 Section 3E Paragraph 2(a) of the Council's Constitution (Officer Delegation Scheme (Executive Functions)) the Director of City Development has authority to discharge any function of Executive Board in relation to the management of land (including valuation, acquisition, appropriation, disposal and any other dealings with land or any interest in land) and Asset Management.

4.5.3 The Chief Asset Management and Regeneration Officer has authority to take the decisions requested in this report under Executive functions 1 and 10 (specific to the Director of City Development) of the Director of City Development's sub delegation scheme.

4.5.4 The information contained in the Appendix attached to this report relates to the financial or business affairs of particular persons, or organisations, and of the Council. This information is not publicly available from the statutory registers of information kept in respect of certain companies and charities. It is considered that since this information is to be used as part of one to one negotiations in respect of the subject property in this report, it is not in the public interest to disclose this information at this point in time. Also it is considered that the release of such information would or would be likely to prejudice the Council's commercial interests in relation to other similar transactions of other similar properties. It is therefore considered that this element of the report should be treated as exempt under Rule 10.4.3 of the Access to Information Procedure Rules.

4.6 Risk Management

4.6.1 There is a small risk that the project cost could over-run however detailed costing's have been considered by the Council with a level of contingency built in. Notwithstanding this there is scope within the consideration due from the Wm Morrison (Supermarket) plc to cover any cost overrun beyond this in the unlikely event that this should occur.

4.6.2 Part of the payment by Morrison's is due upon completion of the works after the Council has incurred the expenditure. Provisions contained within the proposed contractual arrangements however provide that the Council will not contract to set the car park aside for public use in the manner expected until full payment is made.

5 Recommendations

5.1 It is recommended that:

- i) that the terms provisionally agreed between the City Council and Wm Morrison Supermarket plc, and outlined in the confidential appendix, which provide for the delivery of the laying out and landscaping of a car park to Hallfield Lane lorry park be approved and

- ii) that the Chief Asset Management And Regeneration Officer approves the injection of the sum identified in the confidential appendix into the capital programme in order to fund the works, and
- iii) that the Chief Asset Management And Regeneration Officer authorises the incurring of the expenditure in that sum to undertake the works

6 Background documents¹

6.1 None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.