

Agenda Item No:

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Report of: Head of Land and Property

Report to: Director of City Development

Date: October 2017

Subject: Design and Cost report - Land and premises at Brackenwood Drive
Roundhay – Highwood Public House LS8

Scheme number : 32841

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):	Roundhay	
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 type="checkbox"/> Yes	<input checked="" 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. The site is owned by the Council and is subject to a ground lease for the public house, which has closed and is now considered to be at risk of dereliction.
2. The leaseholders have approached the Council to discuss options. Negotiations have been undertaken and terms have been provisionally agreed for the Council to acquire the leasehold interest.
3. The proposed acquisition will allow the Council to determine the most appropriate future use for the site. The scheme will be funded from existing resources within the capital programme

Recommendations

4. It is recommended that the Director of City Development grants approval to the provisionally agreed terms detailed in the confidential appendix to this report and authority to spend the requisite amount to complete the acquisition.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval to the injection of the capital sum detailed in the table under 4.5 below, the terms provisionally agreed for the acquisition and the necessary authority to spend.

2 Background information

- 2.1 The public house site is identified on the attached plan and extends to approximately 0.75 acres. The details of the current lease and leaseholders is contained in the attached confidential appendix. Immediately to the left is a redundant Council owned former garage site (circa 0.2 acres) which is to be considered in conjunction with the public house site.
- 2.2 The combined site is vested in Environments and Resources and has been declared surplus by the Director of Environments and Resources.
- 2.3 The public house is not designated as an Asset of Community Value. Asset Management is not in receipt of a nomination for such or aware of any impending submission.

3 Main issues

- 3.1 The leaseholders of the ground lease for the public house have approached Land & Property to explore options in relation to the future of their lease and the public house site itself. The public house has closed due to poor trading conditions, which is reflective of the general decline of estate based public houses.
- 3.2 Discussions have taken place and terms have been provisionally agreed for the Council to acquire the leasehold interest and which are detailed in the confidential appendix attached to this report. Acquisition of the leasehold interest will give the Council unfettered rights as the land owner to decide how and when the site comes forward for redevelopment / disposal or reuse. Given the additional flexibility this affords, it is the preferred approach in this instance.
- 3.3 The Council's Corporate Property Management team have been requested to prepare for the handover in order to immediately take the site into the Council's void management system

3.4 Options

1. Do nothing and continue to receive a rental income from the lease.

The fixed rental income is minimal and inaction is likely to lead to the continued decline of the property and the loss of an opportunity to proactively bring forward a new sustainable use.

2. Progress disposal of the site in partnership with the leaseholder

This approach would mean the Council having to agree now how the site comes forward for redevelopment / disposal or re-use.

3. The Council to acquire the leasehold interest in order to facilitate site assembly

This is the recommended course of action for the reasons detailed in this report.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The Executive Member for Transport Planning and Regeneration has been consulted and is supportive of the land assembly proposal. The Executive Member for Resources has been consulted and is supportive of funds being made available for the purchase.
- 4.1.2 Ward Members have been briefed about the proposal to buyout the leasehold interest and were supportive of this action.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 There are not considered to be any equality and diversity / cohesion and integration issues arising.

4.3 Council Policies and City Priorities

- 4.3.1 The proposed course of action offers an opportunity to pro-actively determine the future of this site and to deal with a licensed property that has closed due to poor trading conditions.
- 4.3.2 This course of action will avoid the risk of the property being included in the Council's derelicts and nuisance programme.

4.4 Resources and Value for Money

- 4.4.1 The acquisition of the leasehold interest would result in the loss of a nominal fixed annual rent which is receivable by the Housing Revenue Account.
- 4.4.2 The funds used to assemble the site will be the first call on any final proposal brought forward for the site either through disposal / redevelopment or reuse.
- 4.4.3 The scheme will be funded from existing resources within the capital programme.

4.5 Capital funding and Cash Flow

- 4.6 See confidential appendix.

4.7 Legal Implications, Access to Information and Call In

- 4.7.1 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 Asset Management.
- 4.7.2 The Chief Officer Economy and Regeneration, Head of Asset Management and Head of Land and Property have authority to take decisions in relation to Asset Management as delegated in the Director of City Development's sub delegation scheme.
- 4.7.3 The proposal constitutes a Significant Operational Decision and is therefore not subject to call in.

- 4.7.4 The Head of Land and Property confirms that the terms offered to the Council will result in the Council achieving the best consideration that can reasonably be obtained under Section 123 of the Local Government Act 1972 (or under the Housing Act 1985).
- 4.7.5 The information contained in the Appendix attached to this report relates to the financial or business affairs of a particular person, 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 was obtained through one to one negotiations for the disposal of the property/land then 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 in that prospective purchasers of other similar properties would have access to information about the nature and level of consideration which may prove acceptable to the Council. It is considered that whilst there may be a public interest in disclosure, much of this information will be publicly available from the Land Registry following completion of this transaction and consequently the public interest in maintaining the exemption outweighs the public interest in disclosing this information at this point in time. 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.

5.0 Risk Management

- 5.1 It is considered that if the recommended course of action is not pursued then there is a high risk that the subject premises will fall into decline, and an opportunity may be lost to bring forward a new sustainable use for the site.

6.0 Conclusions

- 6.1 It is considered that the recommended course of action is the most appropriate option to deal with the issues arising with the subject property.

7.0 Recommendations

- 4.1 It is recommended that the Director of City Development grants approval to the provisionally agreed terms detailed in the confidential appendix to this report and authority to spend the requisite amount to complete the acquisition.

8.0 Background documents¹

- 8.1 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.