

Agenda Item No:

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Report of: Land and Property

Report to: Director of City Development

Date: 20th March 2018

Subject: Acquisition of Land and premises at Bristol Street Sheepscar - The New Roscoe Public House LS7

Capital Scheme : 32925

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s):	City and Hunslet	
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 originally granted for the construction of the existing public house.
2. The Council has entered into an Agreement for Surrender with the existing leaseholder whereby the Council marketed the freehold and upon securing a sale the leaseholders would surrender their lease under the terms of the Agreement for Surrender and vacate.
3. The Chief Officer Economy & Regeneration approved the disposal of the site on 6th October 2016.

Recommendations

4. It is recommended that the Director of City Development approves the injection and authority to spend for the acquisition of the land and premises at the site as per the details in the confidential appendix.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval to inject funding into the 2017/18 capital programme and obtain authority to spend of the same amount to acquire the land and premises as per the attached confidential report.

2 Background information

- 2.1 The site is identified on the attached plan and extends to approximately 0.6 acres, and is subject to a ground lease, the details of which and those of the existing leaseholders are detailed in the attached confidential appendix. The public house remains open and trading with its principal business being live music.
- 2.2 The Director of City Development granted approval on 19 June 2015 to a recommendation that the subject site be declared surplus to requirement and that Asset Management enter into one to one negotiations with the existing leaseholders to agree terms for a joint disposal agreement for the sale of the Council's freehold interest by way of informal tender. The approved sale area incorporates a section of Sheepscar Beck culvert which runs under the southern boundary of the site and is included in the area of the ground lease.
- 2.3 Negotiations were undertaken with the leaseholders and terms provisionally agreed for a joint sale agreement and which were subsequently approved, along with a recommendation that marketing be by way of informal tender, by the Director of City Development on 18 August 2015. The principal approved terms are detailed in the confidential appendix.
- 2.4 Thereafter, the necessary legal agreement was drawn up and which was legally completed in the form of an Agreement for Surrender, as referred to in the summary above. Marketing of the Council's freehold interest could only commence once the Agreement for Surrender had been legally completed.
- 2.5 The Chief Officer Economy & Regeneration approved the disposal of the site on 6th October 2016.

3 Main issues

- 3.1 Marketing of the Council's freehold interest by way of informal tender was undertaken.
- 3.2 The property was marketed on an unconditional basis with no restriction on use and an acceptable offer has been accepted and approval to this was obtained on 6th October 2016.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Ward members were consulted prior to the site being declared surplus and were supportive of the proposed course of action for the sale of the property.

4.1.2 The Executive Member for Regeneration, Transport and Planning has been consulted and is supportive of the sale of the property as proposed.

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 the Best Council Plan

4.3.1 Disposal of the Council's interest will generate a capital receipt and thereby contribute to the Council's Capital Receipts programme. It also offers an opportunity for private investment in the site.

4.4 Resources and Value for Money

4.4.1 The sale will result in the loss of an annual rent income. However, it is uncertain for how long the income is sustainable given the nature of the public house business and therefore disposal should be pursued.

4.5 Legal Implications, Access to Information and Call In

4.5.1 Under Part 3, Section 3E(g) of the Council's Constitution (Officer Delegation Scheme (Executive Functions)) the Director of City Development has authority to discharge any function of the Executive in relation to Asset Management.

4.5.2 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.

4.5.3 The proposal constitutes a significant operational decision and is therefore not subject to call in.

4.6 The Head of Land and Property confirms that in his opinion the terms offered to the Council represent 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 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 inviting of best and final offers for the property/land then it is not in the public interest to disclose this information at this point in time as this could lead to random competing bids which would undermine this method of inviting bids and affect the integrity of disposing of property/land by this process. 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 offers 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.

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5.1 Risk Management

- 5.1.1 If the property is not sold then, in addition to the loss of a capital receipt, there is the risk that the property may have to cease trading which raises the potential for dereliction in what is a prominent road side location.

6 Conclusions

- 6.1 It is considered that the proposed course of action represents good asset management.

7 Recommendations

- 6.1 It is recommended that the Director of City Development approves the injection and authority to spend to for the acquisition of the land and premises at the site as per the details in the confidential appendix.

8 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.