

Sale of land at Enfield Avenue Sheepscarr LS8

Date: July 2022

Report of: Director of City Development

Report to: Chief Officer Asset Management and Regeneration

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

- The subject site extends to 0.47 acres and is owned by the Council and held by way of a ground lease. The leaseholder operates a coach hire business from the site and has requested to purchase the Council's freehold interest.
- The disposal will result in a capital receipt to the Council that will contribute to the Best Council Plan by supporting communities and promoting sustainable and inclusive economic growth.

Recommendations

It is recommended that the Chief Officer Asset Management and Regeneration:

(a) Declares the site surplus to Council requirement and

(b) Grants approval to the terms provisionally agreed for the sale of the Council's freehold interest as detailed in the confidential appendix attached to this report.

Why is the proposal being put forward?

- 1 The subject site is identified on the attached plan and extends to approximately 0.47 acres.). The premises comprise of an industrial yard upon which the leaseholder has erected a coach maintenance unit. The site is vested with the City Development Directorate. The Council previously owned the full extent of the wider industrial estate and which was sold over twenty years ago, with the subject site being the only parcel of land retained.
- 2 The leaseholder has requested to purchase the freehold of the site. The principal terms of the existing ground lease are detailed in the attached confidential appendix.

- 3 Negotiations have been undertaken and terms for a sale to the leaseholder have been provisionally agreed and which are also detailed in the confidential appendix to this report

What impact will this proposal have?

Wards Affected: Little London and Woodhouse

Have ward members been consulted?

Yes

No

What consultation and engagement has taken place?

- 4 Ward Members were consulted on 3 June 2021 and again on 26 June 2022 by way of email and no objections to the sale have been raised.

What are the resource implications?

- 5 The disposal of the site will generate a capital receipt. There will be a loss of an annual rental income.

What are the legal implications?

- 6 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.
- 7 The Chief Officer Asset Management and Regeneration, Head of Asset Management and Deputy 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.
- 8 The proposal constitutes a Significant Operational Decision and is therefore not subject to call in.
- 9 The Head of Asset Management confirms that in their 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).
- 10 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.

What are the key risks and how are they being managed?

- 11 The key risk is that the leaseholder decides not to proceed with the sale. In such an event the lease will continue under its existing terms and the Council will be in no worse a position than at present

Does this proposal support the council's 3 Key Pillars?

- Inclusive Growth Health and Wellbeing Climate Emergency

- 12 The disposal will result in a capital receipt to the Council that will contribute to the Best Council Plan by supporting communities and promoting sustainable and inclusive economic growth

Options, timescales and measuring success

a) What other options were considered?

- 13 The two alternative options would be to retain the land or sell on the open market subject to the existing lease agreement. By retaining the land the Council would continue to receive the ground rent but with very limited opportunity for rental growth. The site has no wider strategic importance to the Council given that the Council sold the wider estate leaving just this site. It is considered that a sale on the open market is unlikely to generate a higher consideration than that provisionally agreed with the existing leaseholder and could be considered to be a special purchaser.

b) How will success be measured?

- 14 Success will be measured by the completion of the proposed sale.

c) What is the timetable for implementation?

- 15 It is intended that the proposed sale will be completed at the earliest opportunity

Appendices

- 16 Confidential appendix 1 sets out the provisionally agreed terms for the sale.. This appendix is confidential under Access to Information Procedure Rules 10.4(3).

Background papers

- 17 None