

# Public Document Pack



Coventry City Council

## Agenda

### **Cabinet Member for Jobs, Regeneration and Climate Change**

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#### **Time and Date**

3.00 pm on Wednesday, 26th January, 2022

#### **Place**

Diamond Rooms 1 and 2 - Council House

Please note that in line with current Government and City Council guidelines in relation to Covid, there will be reduced public access to the meeting to manage numbers attending safely. If you wish to attend in person, please contact the Governance Services Officers indicated at the end of the agenda.

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#### **Public Business**

##### **1. Apologies**

##### **2. Declarations of Interest**

##### **3. Minutes (Pages 3 - 6)**

- 1) To agree the Minutes of the meeting held on 29 September, 2021
- 2) Any matters arising

##### **4. Minor Land Disposals (Pages 7 - 18)**

Report of the Director of Property Services and Development

##### **5. Outstanding Issues**

There are no outstanding issues

##### **6. Any other items of public business which the Cabinet Member decides to take as matters of urgency because of the special circumstances involved**

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Julie Newman, Director of Law and Governance, Council House, Coventry

18 January, 2022

Note: The person to contact about the agenda and documents for this meeting is Suzanne Bennett, Governance Services Email: [s.bennett@coventry.gov.uk](mailto:s.bennett@coventry.gov.uk)

Membership: Councillor J O'Boyle, Cabinet Member

By invitation Councillor P male, Shadow Cabinet Member

**Public Access**

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**Suzanne Bennett, Governance Services**

**Email: s.bennett@coventry.gov.uk**

# Agenda Item 3

## Coventry City Council

### Minutes of the Meeting of Cabinet Member for Jobs, Regeneration and Climate Change held at 2.30 pm on Wednesday, 29 September 2021

Present: Councillor J O'Boyle (Cabinet Member)

Members:

Other Members: Councillor P Male (Shadow Cabinet Member)

Employees (by Directorate):

S Bennett, and E Kirby, Law and Governance  
P Beesley and A Hunt, Property Services

## **Public Business**

### **12. Declarations of Interest**

There were no declarations of interest.

### **13. Minutes**

The Minutes of the meeting held on 30 July, 2021, were agreed and signed as a true record.

There were no matters arising.

### **14. Surrender and Regrant of a New 250 Year Lease for Butts Park Arena, Butts Road, Coventry**

The Cabinet Member for Jobs, Regeneration and Climate Change considered a report of the Director of Property Services and Development which indicated that Coventry Rugby Club, a historic club forming part of the fabric of the City since its inception in 1874, moved to its new home of the Butts Park Arena in 2004 following the sale of its home of 88 years at Coundon Road. Currently the Club plays its first team rugby in the Championship league of English Rugby.

Butts Park Arena is located close to the city centre and sits within an area identified for wider regeneration. Over the last 10 years significant development of the adjoining former City College site has seen the creation of a new business and leisure area including a hotel, affordable and extra care residential homes and Albany Theatre. In addition, there has been new student housing built in the Butts area as well as current plans being developed to improve the existing social housing estate opposite in Spon End.

Coventry Rugby Club has recognised that their rugby income alone is insufficient to sustain the Club. Therefore, in order to ensure that this historic Club continues to contribute to the City, a greater focus on commercial activity in its current location is essential to make the Club financially self-sustaining in the long term. This financial stability will support the aspiration of a sustained top 3 league

position as well as providing leadership in the local community through the promotion of health and well being through sport.

Since 2018, the Club has invested circa £2.5m enhancing the site and operations which included laying down an artificial playing surface enabling all year playing of multiple sports. As a result, the Butts Park Arena is not only the home of Coventry Rugby Club but also Coventry Bears Rugby League Club, Coventry United F.C and Coventry United Ladies F.C. The Arena has also hosted American Football as well as Gaelic Football and its facilities have been made available to local schools, universities and junior rugby clubs. In addition, the ‘engineered’ layer below the artificial pitch facilitates the hosting of concerts and outdoor events.

The lease of the Butts Park Arena is currently held by Butts Park Arena Limited on a 125 years long leasehold from the Council dated 21 Jan 2003, with an annual peppercorn ground rent. Butts Park Arena Limited is a company which is majority owned and controlled by Coventry Rugby Club Ltd. The Club now proposes to develop the facilities further, but this requires support from the Council to extend their lease term and widen their user clause to enable this new development to happen.

The key components of the development proposal are:-

- 150 bed hotel development
- New 1200 spectator covered standing terrace including with ground floor club shop, food and beverage outlets and fan zone
- 140 apartments of private rented residential accommodation.
- Drive through café.
- Hospitality suite and seating area will be developed in the wider site development plan

Butts Park Arena are seeking a new 250 year lease over the whole property with a wider user clause to facilitate the redevelopment. The extension of the term is to assist with the development of the residential element of the scheme and long term security. The longer term also assists with securing funding from investors. A “user clause” in a lease sets out what types of development, activities can take place on a property. It is only intended to widen the user clause on the areas of the site where development is proposed and not across the whole site. The provision of the multi sports playing surface for the primary use as a Rugby Football pitch will be protected for the duration of the lease by the user clause.

The new hotel, conferencing and food and beverage facilities allowed will enable the maximisation of income from these parts of the site. It will attract customers to the arena throughout the week and not just at weekends. This will support the Club’s aspirations both on and off the pitch by helping to secure its financial position. In return for the lease extension the club have agreed to continue to make the Butts Park Arena facilities available for other sports including Coventry United Men’s and Women’s football teams, Coventry Bears Rugby League Football Club, Disability sport including Wheelchair Rugby, American football, local Gaelic football, Coventry School’s, University and junior rugby clubs.

Coventry Rugby Club are committing to provide community outreach programmes promoting health and wellbeing to young people across the City. The Club will provide community services to a value of £180,000 per annum over the next 10

years to achieve this. This investment will be secured by way of a legally binding Community Sport Agreement which obligates the Club to provide the community focused programmes to the required value. This will be monitored by officers from the Sports area of the Council to ensure it is being delivered. Failure to deliver would result in the Club paying the Premium in cash. The community sports programmes delivered will be used to offset the Premium created in the extension and widening of the lease terms, which equates to £1.8m (as assessed by external property consultants Lambert Smith Hampton). This proposal will support Coventry Rugby Club to become more financially sustainable but also the provision of the community outreach programmes will support the Council's ambition to ensure high quality sporting facilities are available for use by the residents within the city.

**RESOLVED** that the Cabinet Member for Jobs, Regeneration and Climate Change:-

1. Agrees to accept the surrender of the existing leasehold interest and authorises the simultaneous grant of a new 250 year lease to Butts Park Arena Limited of the premises on Butts Road for a premium of £1.8 million and peppercorn ground rent.
2. Approves that the premium be payable by way of a ten year Community Sports Agreement setting out a minimum provision of community activity which equates to a financial contribution of £180,000 per annum.
3. Approves the entry into the Agreement for Lease, Lease and Community Sport Agreement with Butts Park Arena Limited
4. Delegates authority to the Director of Property Services & Development following consultation with the Director of Finance and the Director of Law and Governance to undertake the necessary due diligence and complete all necessary legal documentation to facilitate the completion of the transaction.
5. Delegates authority to the Director of Property Services & Development following consultation with the Cabinet Member for Jobs, Regeneration and Climate Change and the Cabinet Member for Strategic Finance and Resources for any subsequent variation in terms.

**15. Outstanding Issues**

There were no outstanding issues.

**16. Any Other Items of Urgent Public Business**

There were no other items of urgent public business.

(Meeting closed at 3.00 pm)

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Cabinet Member for Jobs, Regeneration and Climate Change

26 January 2022

**Name of Cabinet Member:**

Cabinet Member for Jobs, Regeneration and Climate Change - Councillor J O'Boyle

**Director Approving Submission of the report:**

Director of Property Services & Development

**Ward(s) affected:**

Foleshill, St. Michaels

**Title:**

Minor Land Disposals

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**Is this a key decision?**

No – Although the proposals cover more than two Wards, those Wards are not significantly affected by the recommendations set out in this report. In addition, none of the individual disposals are expected to result in income of more than one million per annum

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**Executive Summary:**

Council officers are continually reviewing the Council's land holdings. A number of sites have been identified that are either: surplus to operational requirements, there is expenditure to maintain or are subject to fly tipping and anti-social behaviour. The sites identified in Appendix 1 may have the potential to be developed as part of a wider development site, including commercial and garden land uses.

The sites identified are currently used as pocket parks and do not have any strategic benefits for the Council to retain. The Council acting in its capacity as planning authority is in principle supportive of opportunities to promote urban regeneration throughout Coventry and notes that at least some of these sites may be acceptable in this regard subject to full consideration by the Council through the planning application process.

The preferred methods of disposal will be via auction, tender process or direct negotiation following expressions of interest depending on the specific circumstances of the sites.

Council officers will continue to review the Council's commercial property portfolio for opportunities to identify land and buildings that do not adequately contribute to the Council's corporate resource objectives and this may result in future reports recommending disposal in due course.

**Recommendations:**

The Cabinet Member for Jobs, Regeneration and Climate Change is recommended to:

1. Declare the sites listed in Appendix 1 of this report surplus to the Council's requirements.
2. Approve (subject to achieving best consideration that can be reasonably obtained) the freehold disposal of the sites identified in Appendix 1 of this report by the most appropriate means and on terms and conditions to be agreed.
3. Delegate authority to the Director of Property Services and Development and the Chief Operating Officer (Section 151 Officer) in consultation with the Director of Law and Governance to agree the final terms of the land transactions and complete the necessary legal documentation in order to formalise the disposal and collect the consideration obtained for the sale.

**List of Appendices included:**

Appendix 1 - List of sites and property to be declared surplus

**Other useful background papers:**

None

**Has it been or will it be considered by Scrutiny?**

No

**Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?**

No

**Will this report go to Council?**

No

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Report title: Minor Land Disposals

## **1. Context (or background)**

- 1.1 After an ongoing review of the Council's land holdings, a number of sites have been identified where there are no strategic reasons for retention within the commercial property portfolio.
- 1.2 The sites are open space and in some cases are impacted by fly tipping and anti-social behaviour. The subsequent development of these sites may generate requirements for planning obligations to improve the sites.
- 1.3 Following engagement with Planning Policy, informal planning guidance has been provided within the appendix, however, all purchasers will need to seek their own independent legal and planning advice prior to any sale and no reliance is to be placed on this.
- 1.4 The sites will be disposed of via auction, tender process or direction negotiation. A number of the sites already have planning consent prior to disposal and some sites may be sold without obtaining planning consent.
- 1.5 A list of the sites, with site plans, identified for disposal is attached as an Appendix to this report.

## **2. Options considered and recommended proposal**

### **2.1 Option 1. Continue status quo and not dispose**

- 2.2 If these identified sites are not declared surplus and released for disposal then there is a lost opportunity to generate a capital receipt for assets serving no strategic or operational purpose. The sites will continue to require ongoing maintenance and incur intermittent Council expenditure in response to fly tipping or other local anti-social activities occurring on them.
- 2.3 Given the reasons outlined in para 2.2 above, this option is not recommended.

### **2.4 Option 2. Disposal of the sites & property identified (recommended approach)**

- 2.5 Following review, the sites contained in Appendix 1 are deemed to be non-strategic, non-operational or non-income producing from the Council's perspective. Disposal of these sites provides the opportunity to generate capital receipts for the financial years 2021-22 and 2022-23 as well as potentially bringing them into more productive use for the city.
- 2.6 For these reasons, it is therefore recommended that the sites and properties identified in appendix 1 are declared surplus and are disposed via auction, tender or direct negotiation seeking 'expressions of interest' where appropriate.

## **3. Results of consultation undertaken**

Ward Councillors have been notified where an identified site falls within their respective ward area and were invited for comments.

## **4. Timetable for implementing this decision**

- 4.1 Subject to Cabinet approval and necessary planning consents, the sites will be allocated for disposal in 2021/2022 and 2022/2023 and considered for auction or disposal through negotiation accordingly.

## **5. Comments from the Chief Operating Officer (Section 151 Officer) and the Director of Law and Governance**

### **5.1 Financial implications**

5.1.1 The capital receipt for each of the sites will be the amount which represents the best price reasonably obtainable. It should also be stated that it is not anticipated that any one site will achieve a sale price of more than £1m. Notwithstanding, the disposal of these site will contribute towards corporate resources.

### **5.2 Legal implications**

5.2.1 Local authorities are given powers under Section 123 of the Local Government Act 1972 Act (the 1972 Act) to dispose of land in any manner they wish, including sale of their freehold interest, granting a lease or assigning any unexpired term on a lease, and the granting of easements. The only constraint is that a disposal must be for the best consideration reasonably obtainable (except in the case of short tenancies of less than 7 years), unless the Secretary of State consents to the disposal

5.2.2 The Director of Law and Governance will complete the freehold conveyance/transfers of the sites/property identified in accordance with appropriate procedures and will collect the consideration for the disposals.

5.2.3 As the sites are currently used as pocket parks, there may be a requirement for the issuing of Public Open space disposal consent notices. This will be carried out as required in order to comply the provisions of the Local Government Act 1972

## **6. Other implications**

### **6.1 How will this contribute to achievement of the Council's Plan?**

The capital receipts will contribute towards corporate resources whilst the disposal of sites will promote their development and support urban regeneration and also mitigate the costs of continued maintenance and repair of the same.

### **6.2 How is risk being managed?**

The risks have been identified as per paragraph 2.2 with the loss of potential capital receipts.

### **6.3 What is the impact on the organisation?**

#### **Resource Implications**

The impact to the organisation will be minimal however it will generate additional work for officers within Property and Development and Legal Services in processing the sales contracts for the auction and dealing with the completion of the sales post-auction.

#### **Property Implications**

The proposed transactions will dispose of sites that do not serve any strategic use and are therefore surplus to requirements and will contribute towards corporate financial targets as specified in paragraph 5.1 above.

#### **6.4 Equalities / EIA**

An Equality Impact Assessment has not been undertaken as the proposal concerns the disposal of land for redevelopment and no group will be impacted.

#### **6.5 Implications for (or impact on) the environment**

The impact has the potential to be positive as the sites will be redeveloped and utilised in a more efficient manner than they currently are.

#### **6.6 Implications for partner organisations?**

There are no implications for any partner organisations.

**Report author(s):**

**Name and job title:**

**Simon Cooper, Development Surveyor – Acquisitions and Disposals, Property**

**Directorate:**

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Enquiries should be directed to the above person(s).

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<b>Contributors:</b>				
Adam Hunt	Strategic Lead Property and Development	Property Services	10/01/22	10/01/22
Paul Beesley	Team Leader Development Acquisitions and Disposals	Property Services	10/01/22	14/01/22
Suzanne Bennett	Governance Services Co-ordinator	Governance Services & Scrutiny	10/01/22	11/01/22
<b>Names of approvers for submission:</b> (officers and members)				
Helen Williamson	Lead Accountant Capital/Grant	Finance & Corporate Resources	10/01/22	10/01/22
Finance: Phil Helm	Finance Manager	Finance & Corporate Resources	10/01/22	13/01/22
Legal: Oluremi Aremu	Major Projects Lead Lawyer	Legal Services	10/01/22	18/01/22
Director: Richard Moon	Director of Property Services and Development	Property Services	10/01/22	14/01/22
Members: Cllr J O'Boyle	Cabinet Member for Jobs, Regeneration and Climate Change		14/01/22	17/01/22

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## **Appendix 1**

### List of sites for disposal

<b>Site Address</b>	<b>Local Ward</b>	<b>Size (Acres)</b>	<b>Potential Plots/units* (estimated)</b>	<b>Recommendation / Comments</b>
No 1: Land at Well Street	St Michaels	0.0165	40	Approve agreed disposal of Council owned land, at market value, representing approx. 11% of development potential of site. Approve issuing of Public Open space disposal consent
No.2 Land at Hill St Pocket Park	St Michaels	0.40	14	Approval of agreed disposal at market value to Expression Of Interest winning party. Approve issuing of Public Open space disposal consent
No.3 Land at Stoney Stanton Road	Foleshill	0.078	TBC	Approval to dispose of interest by direct treaty. Approve issuing of Public Open space disposal consent
No. 4 Land at Wellington St	St Michaels	0.098	TBC	Approval to dispose of interest by direct treaty. Approve issuing of Public Open space disposal consent

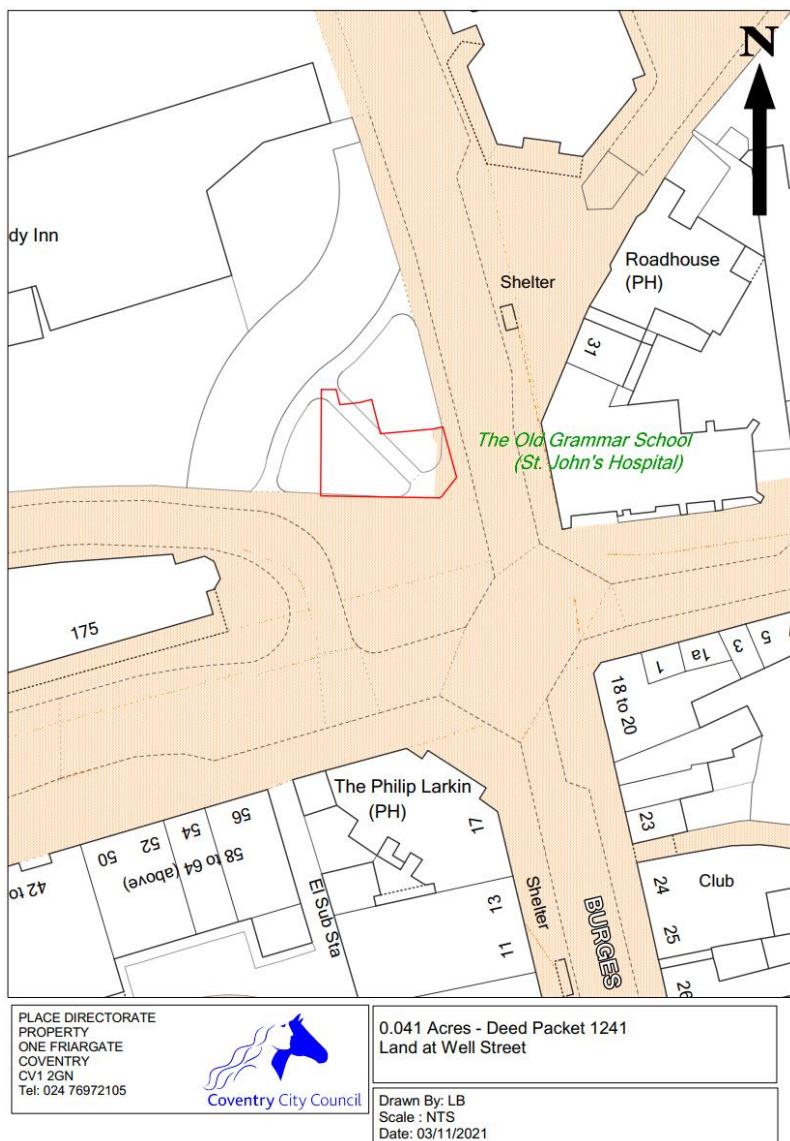
## **Site No 1: Land at Well St**

Land totalling 0.041a comprising Approximately 10% of the park at Well St. The wider park is owned by Complex Development Projects and has planning for the development of a 40 unit scheme with 4 ground floor commercial units. The park has been identified for regeneration and the development would add to the number of private residential units in the city centre. Historically the location was used for light industrial and commercial uses until these units were demolished around 2010 with the land lying vacant before being turned into a pocket park some years later.

The price stated has been agreed with the developer on the basis of the value of the scheme with the Council land included against the limited development potential of the site without the Council owned land, based on the developers audited build costs.

### **Planning Policy Comments**

The site lies within the Bishop Street Regeneration Area as set out within the adopted 2016 City Centre Area Action Plan and so policy CC25 would apply. Based on a desk based assessment and recent visual observation, the area edged red on your attached plan appears to cover an area of recently developed soft and hard landscape public realm improvement works.



## **Site No 2: Land at Hill St**

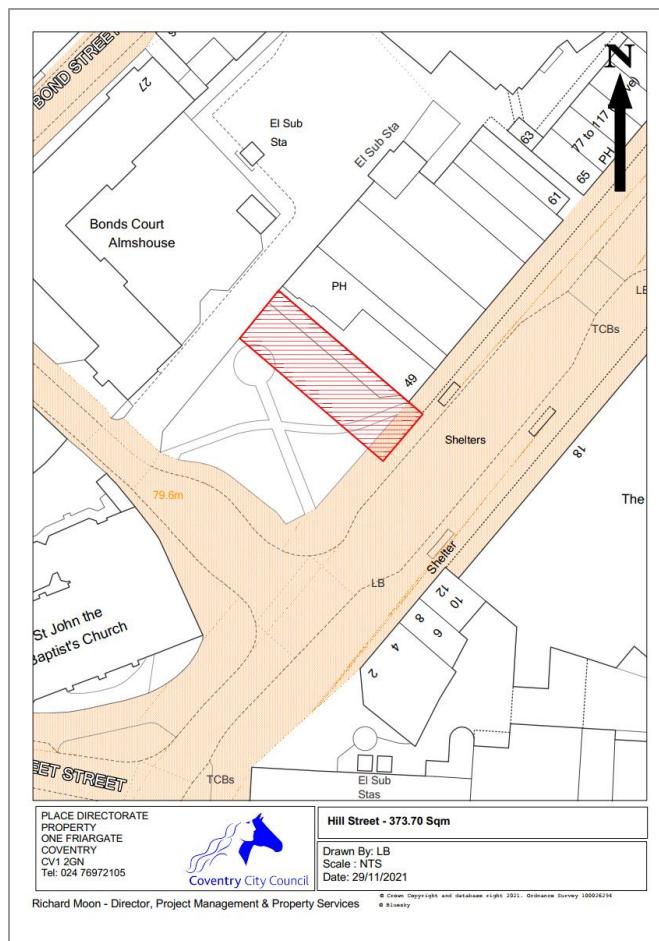
Land totalling 0.40a comprising Approximately 30% of the park at Hill St. The scheme won an Expression Of Interest competition in 2020 and achieved planning consent in June 2021. The park has been identified for regeneration and the development would add to the number of private residential units in the city centre. Historically the location was earmarked for leisure uses however post war construction was limited to temporary units on the site, until these were demolished in the late 90s with the land lying vacant before being turned into a pocket park some years later.

The price stated has been agreed with the developer on the basis of the value of the scheme by independent valuation after a third party review of the development costs.

### **Planning Policy Comments**

The site edged red below is included as part of a wider site immediately to the west as set out in the 2016 SHLAA. The findings concluded the site is within the city wall buffer and although established green space the site has always remained earmarked to create a feature building that helps link Corporation Street with Hill Street. It is a well maintained pocket park within a conservation area with archaeology interest. The site has an opportunity to link into wider public realm improvement programmes.

The site is also within the designated leisure and entertainment area as set out in the 2016 City Centre Area Action Plan and policy CC17 would apply. Therefore, all development proposals within the Spon Street Conservation Area, including applications for signage, will only be considered acceptable if they demonstrate that they respect the historic environment of the area and are in keeping with the aims of the Spon Street Conservation Area Appraisal and Management Plan, published 2015 (or any subsequently updated documents).

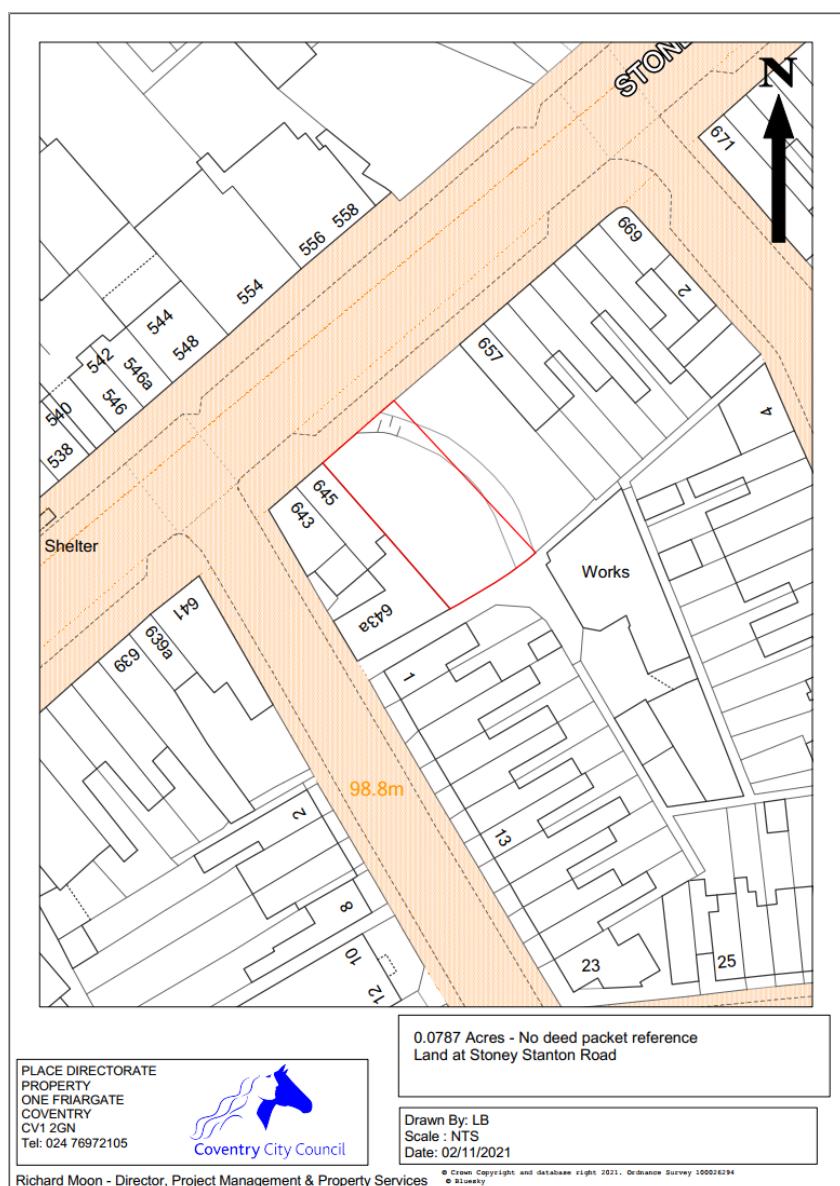


## **Site No 3: Land at Stoney Stanton Road**

Site comprising 0.078 acres currently laid out as a pocket park along with the adjacent part owned by a third party. The site is a natural infill development opportunity with a mix of commercial and residential uses along the adjacent frontages.

### **Planning policy comments**

The site is not covered by any formal Local Plan designations as set out in the Coventry Local Plan policies map and is not included in the 2016 SHLAA. Based on a desk based assessment, the site appears to be a small informal urban pocket park with associated grass and mature tree value. Urban pocket parks are considered formal green space as set out in the Coventry Local Plan and so Policy GE2 (Green Space) would need to be considered alongside the Council's most up to date Green Space Strategy. There also appears to be some tree value associated with the site and so Policy GE4 (Tree Protection) of the Local Plan would need to be considered. From a policy perspective, based on the points raised above, this site may have potential for development deliverability subject to any outstanding environmental and green space policy constraints being satisfactorily considered and addressed.

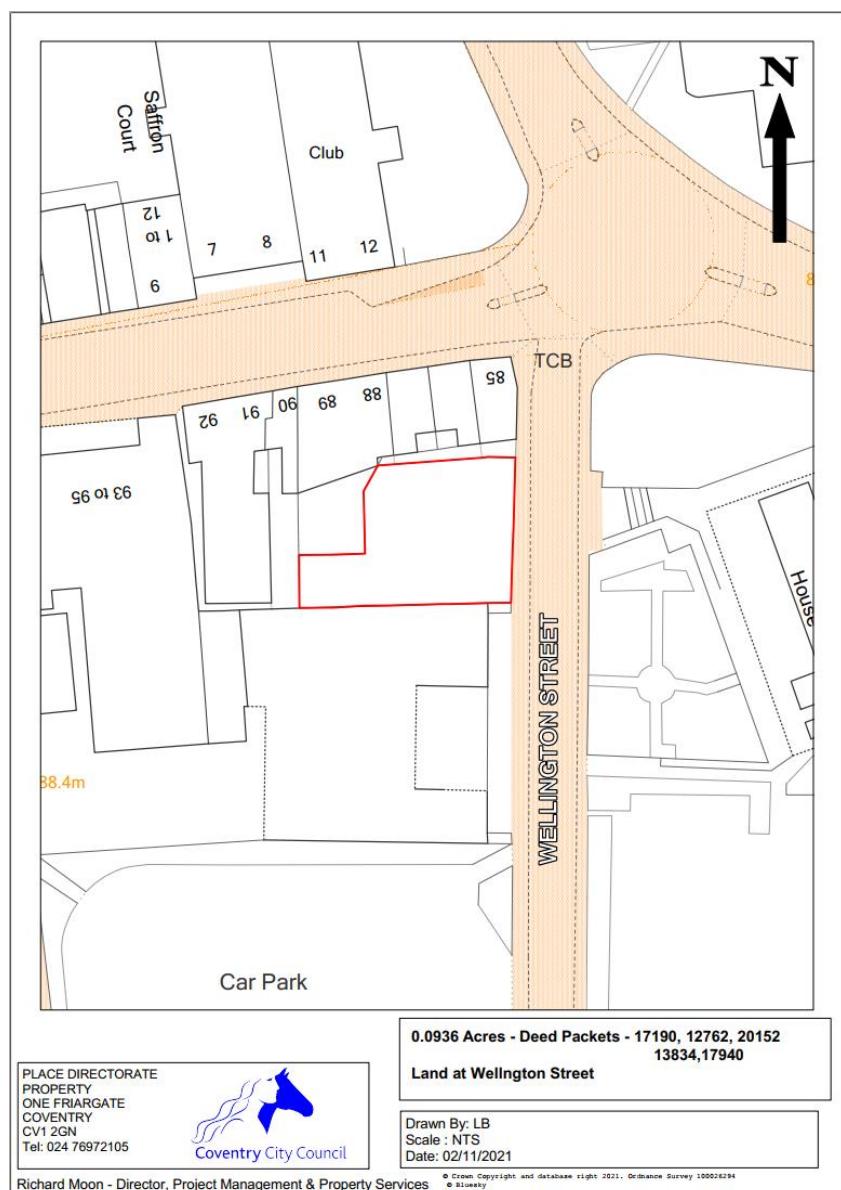


#### **No.4 Land at Wellington St**

Site comprising 0.093 acres currently laid out as a pocket park, located to the rear of lock up shop units on King William St and adjacent to light industrial premises on Wellington St. The park suffers continued abuse through fly tipping and antisocial behaviour.

#### **Planning policy comment**

The site lies within the Bishop Street Regeneration Area as set out within the adopted 2016 City Centre Area Action Plan and so policy CC25 would apply. Urban pocket parks are considered formal green space as set out in the Coventry Local Plan and so Policy GE2 (Green Space) would need to be considered alongside the Council's most up to date Green Space Strategy.



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