
A separate report is submitted in the private part of the agenda in respect of this item, as it contains details of financial information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972. The grounds for privacy are that it refers to the identity, financial and business affairs of an organisation and the amount of expenditure proposed to be incurred by the Council under a particular contract for the supply of goods or services.

Cabinet Member (Business, Enterprise and Employment)

20 October 2014

Name of Cabinet Member:

Cabinet Member (Business, Enterprise and Employment) – Councillor Maton

Director Approving Submission of the report:

Executive Director, Place

Ward(s) affected:

Westwood

Title:

Canley Sports and Social Club - Freehold Disposal

Is this a key decision?

No

Executive Summary:

Canley Sports and Social Club was held on a long lease from the Council dated 7th December 1950 for a term of 99 years from 24th June 1949 and has 34 years unexpired (“the Lease”).

The lessee went into administration and most of the buildings have been seriously damaged by fire. The administrator demolished those parts of the building that were considered to be dangerous and erected a fence around the remaining buildings to make the site as secure as possible.

The business and more latterly the Lease, were extensively marketed by the administrator and the property was to be auctioned in mid-September, at a guide price of £20,000-£30,000. The Council was able to secure the withdrawal of the property from the auction and agree a surrender of the lease from the administrator. This enables the Council to demolish the derelict buildings, with the cost to be met from the future capital receipt and ensure that development takes place by marketing and selling the site now.

The purpose of this report is to obtain authority to demolish the buildings, make a planning application and dispose of the freehold interest in the site.

Recommendations:

Cabinet Member (Business, Enterprise and Employment) is recommended to approve the following:-

1. The demolition of buildings and submission of a planning application for suitable redevelopment, prior to the marketing and freehold disposal of the Canley Sports and Social Club site, at the Council's cost which is detailed in the private report
2. To delegate authority to the Executive Director, Place and the Executive Director, Resources (Legal Services) to conclude the freehold disposal of the site, on terms that represent best consideration, in accordance with Section 123 Local Government Act 1972.

List of Appendices included:

A Site Plan referred to in the report.

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

Report title:

Canley Sports and Social Club - Freehold Disposal

1. Context (or background)

- 1.1 The Canley Sports and Social Club (shown by black hatching on the attached Plan) (“the Club”) lies within the Canley Regeneration Programme area, which contains approximately 3,000 existing dwellings (approximately 50% owner occupied); shops; community, educational and health facilities, together with urban green space, covering an area of 115 ha (284 acres) or thereabouts. The Club was not included within the Canley outline planning permission granted in 2010, which comprised development of about 730 new residential units, new community facilities, new park and play facilities, public realm improvements and other associated works. The reason for this is that vacant possession of the Club could not have been foreseen at the time, as the property was subject to the Lease dated 7th December 1950 for a term of 99 years (“the Lease”).
- 1.2 The Club was held by Calco Pubs Limited under the terms of the Lease with 34 years unexpired, at a rent of £48.00pa. Calco Pubs Limited went into administration a number of months ago and thereafter, the administrator has been trying to secure the best price for all assets, for the benefit of the creditors. The buildings forming the Club have been seriously damaged by fire and the administrator has demolished those parts that were seriously damaged and erected a fence around the remaining buildings, in order to make the site as secure as possible. The remaining buildings have been a consistent target for anti-social behaviour.
- 1.3. The business and more latterly the Lease, have been extensively marketed by the administrator and as part of this process, the Lease was to be auctioned in mid-September, at a guide price of £20,000-£30,000.
- 1.4 The Lessee is required to keep the buildings in good repair, however, reinstatement in their present form would be rather pointless. The reason for this is that the business model of a sports and social club in this location, is not sustainable or viable for a number of reasons but mainly because it has been in direct competition with the nearby and very successful, Xcel Sports Centre.
- 1.5 It was therefore considered to be in the best interests of all parties not to reinstate the redundant buildings but instead, for the Administrator to withdraw the property from the auction and surrender the lease back to the Council, for onward sale for redevelopment.

2. Options considered and recommended proposal**2.1 Sell the freehold**

The vacant buildings have suffered badly from anti-social behaviour and represent an eyesore to neighbouring residents and an on-going draw on and risk to, the Police and Fire Service. The Council accepted a surrender of the Lease partly to manage this situation and also ensure that development takes place earlier than would otherwise have been the case.

- 2.3 The sale method adopted will ensure that the consideration received represents best value under S.123 of The Local Government Act 1972.

2.4 Lease the site

The only other option would be to lease the site but realistically, this would preclude residential development which is the likely to be the use for which there would be most demand.

2.5 Accordingly it is recommended that the sale of the freehold is accepted.

2.6 Community Benefits

2.7 The loss of the Club would largely be a loss of community benefits. However, on the basis that that use is no longer sustainable and viable and the use is adequately provided at the nearby Xcel Sports Centre in any event, this position is inevitable.

3.0 Results of consultation undertaken

3.1 At this point in time there has been no consultation undertaken, however, consultation will be done as part of any outline or detailed planning application for development or change of use.

4. Timetable for implementing this decision

4.1 Expected timetable of events:-

Complete Demolition	- November 14
Submit planning application	- January 15
Commence marketing	- January 15
Complete sale	- March/ April 15

5. Comments from Executive Director, Resources

5.1 Financial implications

5.1.1 The nominal ground rent of £48.00 per annum ceased when the Lease was surrendered to the Council.

5.1.2 With effect from the date the Lease was surrendered, the Council is responsible for paying for security at a cost of approximately £1,000 per month. This level of security is essential having regard to the high level of anti-social behaviour experienced, however, it is only required until the buildings are demolished. This should be completed early in November 2014.

5.1.3 The cost of demolition, including surveys, should not exceed £100,000.

5.1.4 Once the site is cleared of buildings, it could potentially be used either for some other social/community use or probably more likely, redeveloped for housing.

5.1.5 A planning permission would be obtained prior to marketing, to eliminate as much risk as possible. The cost of the application is expected to be in the region of £20,000.

5.1.6 The cost of demolition, security and the submission of a planning application will be met from the future capital receipt.

5.2 Legal implications

5.2.1 Officers will ensure that the site is disposed of in such a way as to satisfy the requirements under S.123 of the Local Government Act 1972.

5.2.2 Officers in Resources Directorate (Legal Services) will prepare and complete the necessary legal documentation required in relation to the freehold disposal and will collect the agreed capital receipt

6. Other implications

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

6.1.2 Should the site be used for housing development, the dwellings will add to the Council's strategic housing target.

6.1.3 During construction, the development will seek to provide jobs and business opportunities for the city's residents.

6.2 How is risk being managed?

6.2.1 Risk will be managed by a dedicated Project Manager throughout the process.

6.2.2 The badly damaged building exposes the Council to risk from on-going third party liability. The level of security engaged minimises this risk, which will be eliminated once demolition has been completed.

6.3 What is the impact on the organisation?

6.3.1 The positive impact on the organisation is that the Council's intervention will conclude a protracted and very unsatisfactory situation for local residents and emergency services.

6.3.2 Work will be required by both the Property Development Team in negotiating the detail of the disposal and Resources Directorate (Legal Services) in preparing documentation.

6.4 Equalities / EIA

6.4.1 No Equality Impact Assessment has been undertaken as the recommendations do not constitute a change in service policy.

6.5 Implications for (or impact on) the environment

6.5.1 There are existing buildings on the site and redevelopment is unlikely to see any appreciable intensification of built development. Such future development will need to comply with planning requirements.

6.6 Implications for partner organisations?

6.6.1 Should residential development be undertaken on the site, there is a requirement for the provision of affordable housing.

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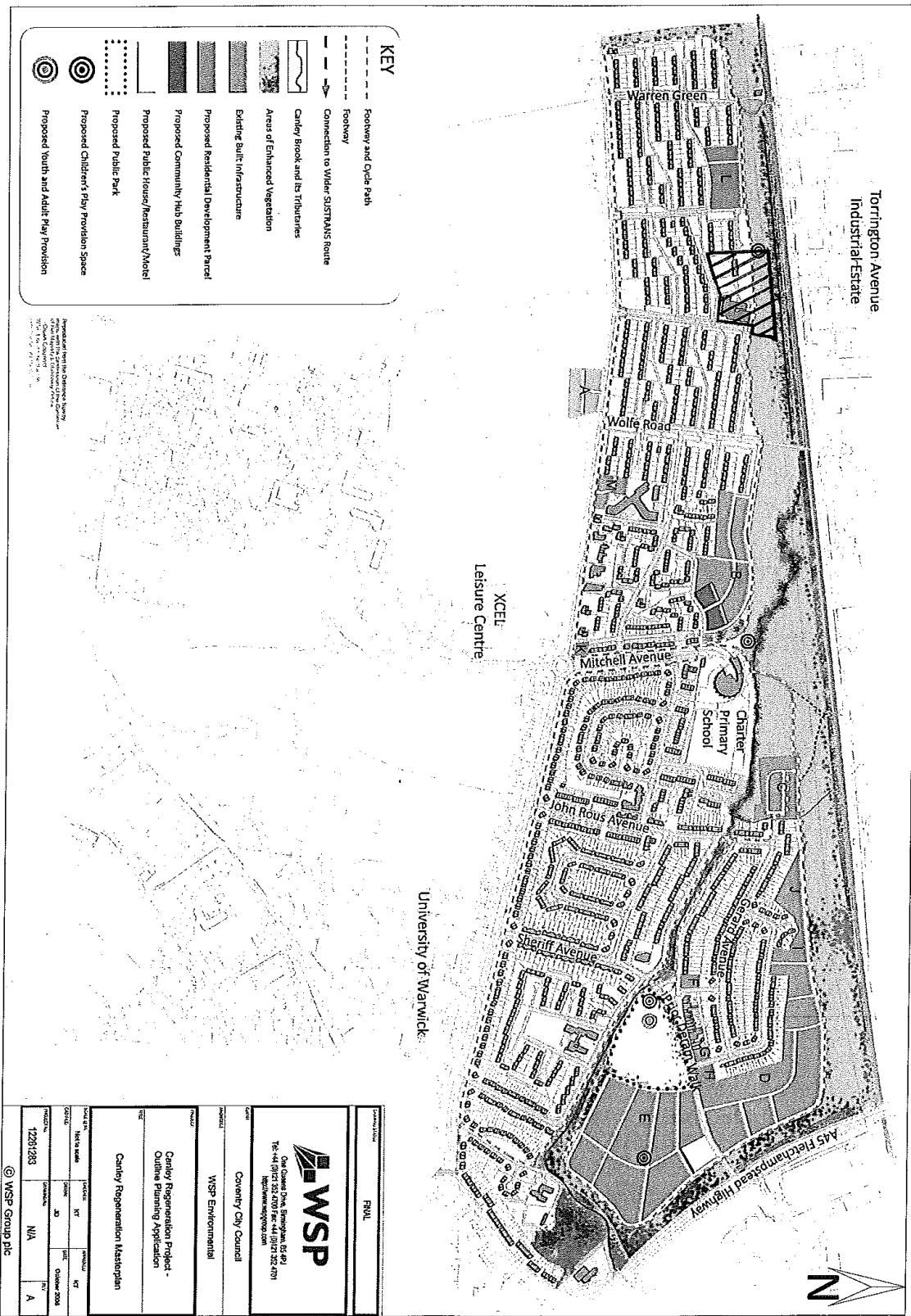
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Members: Councillor Maton	Cabinet Member (Business, Enterprise and Employment)		06:10:14	06:10:14

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KEY

- Footway and Cycle Path
- Footway
- Connection to wider SUSTANS route
- Canley Brook and its Tributaries
- Areas of Enhanced Vegetation
- Existing Built Infrastructure
- Proposed Residential Development Parcel
- Proposed Community /Hb Buildings
- Proposed Public House/Restaurant/Hotel
- Proposed Public Park
- Proposed Children's Play/ Provision Space
- Proposed Youth and Adult Play Provision

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<p>Canley Regeneration Project - Outline Planning Application</p>	
<p>Canley Regeneration Masterplan</p>	
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