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**A separate report is submitted in the private part of the agenda in respect of this item, as it contains information required to be kept private in accordance with Schedule 12a on the Local Government Act 1972 as amended. The grounds for privacy are that it refers to the identity, financial and business affairs of an organisation (including the authority holding the information). The public interest in maintaining the exemption under Schedule 12A outweighs the public interest in disclosing the information.**

Cabinet Member for Business, Enterprise and Employment

13<sup>th</sup> January 2015

**Name of Cabinet Member:**

Cabinet Member for Business, Enterprise and Employment - Councillor Maton

**Director Approving Submission of the report:**

Executive Director of Place

**Ward(s) affected: St. Michaels**

**Title:**

Release of Restrictive Covenant, 21 Parkside, Coventry

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**Is this a key decision?**

No

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**Executive Summary:**

The property 21 Parkside, Coventry is in the freehold ownership of the St. John Ambulance Brigade. Under a conveyance dated 1<sup>st</sup> December 1931 there is a restricted covenant on the use of the site in favour of the Council. The covenant restricts the use of the property to a lecture and drill hall and club in connection with the St. John Ambulance Brigade.

St. John Ambulance has agreed to sell the property and have approached the Council for a release of the restrictive covenant.

As consideration for the covenant being released, St. John Ambulance will pay the Council a premium plus the Council's reasonable legal and surveyors costs.

**Recommendations:**

The Cabinet Member is recommended to:

1. Approve the release of the restrictive covenant subject to the payment of a premium.
2. Delegate authority to the Executive Director of Resources to complete the Deed of Release and collect the agreed premium.

**List of Appendices included:**

Plan

**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: Release of Restrictive Covenant - 21 Parkside, Coventry**

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

- 1.1 The property is in the freehold ownership of the St. John Ambulance. The Council conveyed the land to the trustees of St John Ambulance under a Conveyance dated 1<sup>st</sup> December 1931 at value and St. John Ambulance built the hall and club building currently on the site. The conveyance contains a restrictive covenant in favour of the Council which restricts the use of the property to a lecture and drill hall and club in connection with the St. John Ambulance Brigade. The owners have agreed to sell the property and have offered the Council a premium in return for a release from the restrictive covenant.

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

- 2.1 The recommended option is to agree to the proposal, which involves the release of the restrictive covenant.
- 2.2 A second option was to refuse the request. The St. John Ambulance would be unable to sell the property and the Council would not receive a premium payment.
- 2.3 It is recommended that the Council accept the offer and enter into a Deed of Release with St. John Ambulance to release them from the restrictive covenant in the said 1931 conveyance.

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

- 3.1 None

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

- 4.1 Providing that Cabinet Member approval is secured it is expected that this receipt will be received within this financial year.

### **5. Comments from Executive Director of Resources**

- 5.1 Financial implications

This decision if approved will generate a capital receipt, which will contribute to the Council's planned programme of capital disposals. The disposal programme, in line with Corporate Policy supports the Medium Term Financial Strategy which is helping to deliver a number of major regeneration and growth projects in the City.

- 5.2 Legal implications

The consideration for a deed of release from this restrictive covenant represents best value reasonably obtainable by the Council. This meets the Council's obligations to obtain best value under the requirements of section 123 of the Local Government Act 1972.

Officers within legal service will complete the necessary deed of release and will collect the agreed consideration.

### **6. Other implications**

**6.1** The receipt will contribute to the Council maintaining a balanced budget in the medium term thus helping preserve services for the people of Coventry.

**6.2 How is risk being managed?**

This is a capital receipt, there are no risks.

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

There is no significant impact on the organisation arising from this proposal. An opportunity has arisen for the Council to receive a capital payment and this opportunity has been realised.

**6.4 Equalities / EIA**

This is a property transaction and an Equality Impact Assessment is not required.

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

There are no implications for the environment.

**6.6 Implications for partner organisations?**

There are no implications for partner organisations.

**Report author(s):**

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**Directorate: Place**

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