
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 for Business, Enterprise and Employment

24 August 2015

Name of Cabinet Member:

Business, Enterprise & Employment –Councillor Kevin Maton

Director Approving Submission of the report:

Executive Director of Place

Ward(s) affected:

St Michaels

Title:

Land Disposal Lower Ford Street and Tower Street

Is this a key decision?

No

Executive Summary:

Coventry University continue to make significant investments in the physical development of their property estate in the city centre.

The Council has been approached by the University to sell two pieces of land to them, for them to use them to assist with their future development plans.

This report is seeking approval to dispose of the freehold interests in the following parcels of land:-

- 1) 0.064 acres in Lower Ford Street, which is currently used as 12 surface car park spaces
- 2) 0.43 acres in Tower Street which was previously used under lease as a service yard by the Royal Mail in conjunction with the adjoining mail centre which the University have recently acquired together with this leasehold which runs for a term of 99 years from the 24th November 1959.

Coventry University owns the freehold of the land adjoining the sites they are seeking to purchase. To aid the development of the combined sites the University is seeking to acquire the Councils freehold interest in the two sites.

Recommendations:

Cabinet Member for Business, Enterprise and Employment is asked to:

- 1) Approve the granting of negotiations with Coventry University with Coventry University for a five year option to acquire part of the Lower Ford Street car park (shown on the plan at Appendix 1) at market value at the time of transfer subject to a minimum purchase price and conditional on planning permission being granted.
- 2) Approve the disposal of the freehold parcel of land at Tower Street to Coventry University subject to the existing lease
- 3) Approve the commencement of the process to remove part of the land in Lower Ford Street from the City of Coventry (Off Street Parking Places) order 2005 (as amended).
- 4) Delegate authority to the Assistant Director for City Centre and Development Services, Executive Director Resources and Assistant Director for Legal and Democratic services as appropriate following consultation with Cabinet Member for Business, Enterprise & Employment to agree any variations or new requirements that are deemed necessary to give effect to the proposals.
- 5) Delegate authority to the Executive Director of Resources and Assistant Director for Legal and Democratic Services to complete the necessary legal documentation in this matter and collect the agreed consideration.

List of Appendices included:

Appendix 1 –site plan-Lower Ford Street

Appendix 2 – site plan – Tower Street

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

1. Context (or background)

- 1.1 Coventry University's continuing ambition and investment to develop and improve the educational offer it makes to its students can be physically seen by the on-going development of its campus. It is also reflected by this year's 12 place rise up to the 15th best University in the UK according to the Guardian University Guide 2015, its highest ever listing and cements its position as the country's leading modern university.
- 1.2 In order for the University to continue to grow it has approached the City Council seeking to acquire the freehold of two separate parcels land which will be incorporated into land they already own to form part of larger future development sites.

2. Options considered and recommended proposal

- 2.1 **Site 1 - Lower Ford Street** - appendix 1 site plan
- 2.2 Coventry University currently owns the freehold of land on the corner of Cox Street and Lower Ford Street, which has the elevated ring road to the south west. It is currently used as a surface car park however they have the intention to bring forward plans to develop the site for either educational or residential use.
- 2.3 The Universities existing site is constrained by the irregular shape of its southern boundary. Acquiring the Council's land would 'square off' the site improving the sites development opportunity.
- 2.4 The land sought by the University currently forms part of the Councils long stay public surface car park known as Lower Ford Street. It is currently laid out as 12 car parking spaces and extends to approximately 0.064 acres.
- 2.5 The University has not yet formulated detailed plans for the development of the site however they have requested a five year option to allow them time to develop proposals. The right to exercise the option will be dependent upon Coventry University submitting an acceptable development proposal to the Council.
- 2.6 Lower Ford Street car park currently has a capacity of 168 spaces. Due to the location of the 12 spaces identified, the removal of the land from the car park would not affect the ability to operate it, albeit reducing its capacity by 7%.
- 2.7 The University has agreed to pay a market value for the land subject to a minimum purchase price conditional on planning permission being granted for the 0.064 acre site which is seen as 'best consideration'. This capital receipt would produce a revenue benefit to the Council.
- 2.8 When the overall income generated by the car park is considered including income generated from contract let spaces, duty passes and season tickets; based on assumption around costs it can be said that the disposal would leave the Council in a better revenue position.
- 2.9 **Site 2 - Tower Street** - appendix 2 site plan

- 2.10 Coventry University has recently acquired the former Royal Mail sorting office in Bishop Street from Barberry Developments. Working with Barberry, their intention is to demolish the existing property and build an 850 bed student housing development with ground floor retail units.
- 2.11 Coventry University has asked to acquire the freehold of the Council owned site adjoining their Bishop Street property. The Council site extends to approximately 0.43 acres and is located on Tower Street between junction 1 of the Ring Road and the former sorting office. It was a former petrol filling station and Royal Mail service yard.
- 2.12 The site is currently let on a 99 year lease which is due to expire in 2058; 43 years' time. The leasehold interest was acquired by the University as part of their purchase of the adjoining former Royal Mail site from Barberry.
- 2.13 An offer for the freehold of the site, subject to the existing lease, has been made by the University. Commercial property agents Lambert Smith Hampton, who are advising the Council have validated that the proposed purchase price would be considered 'best consideration' for the Council's land.

2.14 Options

- 2.15 The Council could retain ownership of both sites but this would frustrate the investment in and development of adjoining land.
- 2.16 Coventry University are looking to invest in and improve both the University campus which will also improve the city centre. Having cranes on the city's skyline and new buildings being constructed, shows a confidence in Coventry as a location and helps to attract future investment to the city.

2.17 Recommendation

- 2.18 It is recommended that approval be given to progress negotiations regarding a five year option at an agreed minimum purchase price for Lower Ford Street and the disposal of the freehold land at Tower Street (subject to lease) to Coventry University.

3. Results of consultation undertaken

- 3.1 No public consultation has taken place around the proposed disposal of land however there will be an opportunity for the public to comment on the future planning applications submitted around the development proposals and to make representations as part of the off street parking order.

4. Timetable for implementing this decision

- 4.1 If the recommendation to proceed to dispose of the land is adopted then the intention would be to instruct legal services to produce the appropriate documentation and seek to agree the documentation and complete the sale within 3 months from the date of the report.

5. Comments from Executive Director of Resources

5.1 Financial implications

There is no cost to the Council of disposing Lower Ford Street, a small benefit would exist as demonstrated in paragraph 2.8. The disposal for Tower Street would generate an on-going benefit which is planned to be used to achieve the Strategic Property (FSR) target.

5.2 Legal implications

Section 123 of the Local Government Act 1972 enables the Council to dispose of land held by them in any manner it wishes provided that best consideration is obtained. The Councils commercial property agent Lambert Smith Hampton have indicated that the proposed purchase price for Site 2 –Tower Street would be considered best consideration.

The Executive Director of Resources (officers within Legal Services) will complete the legal documentation in connection with the freehold disposal in accordance with appropriate procedures and will collect the agreed consideration upon completion of the disposal.

6. Other implications

Any other specific 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)?

The transfer of the parcels of land to Coventry University for possible new academic teaching space in addition to student housing will regenerate these locations thus encouraging a creative, active and vibrant city which will also indirectly assist with producing more prosperous Coventry. The construction of new facilities can be seen as making Coventry an attractive and enjoyable place to be.

6.2 How is risk being managed?

The key risk is that the Council cannot deduce a good title to the land. If issues arise then legal colleagues would seek to resolve these. If they are still unable to satisfy the issues, the University would have to take a view if they wished to proceed with the purchase.

Due to the level of capital receipt and organisation involved it is assumed the University has the funds available so no financial checks have been carried out. No land transfer would take place until the completion monies have been paid to the Council

6.3 What is the impact on the organisation?

The impact to the organisation is set out in the financial section of this report but the conclusion being that the land transfer improves the Councils overall financial position.

6.4 Equalities / EIA

The report's recommendations relate to the transfer of land and do not affect the Councils policy, provision of any services or its statutory functions. As such it is not required to undertake an Equality Impact Assessment as part of the Public Sector Equality Duty outlined in the Equality Act 2010.

6.5 Implications for (or impact on) the environment

The transfer of the land will facilitate the potential development of new structures on the land

6.6 Implications for partner organisations?

The land transfers will assist Coventry University, a key partner in the development of Coventry's City centre, to bring forward new physical development.

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