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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

29 March 2016

**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:**

Freehold Disposal of Land at Lansdowne Street

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**Is this a key decision?**

*No*

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**Executive Summary:**

The former St Marys R.C School closed in the autumn 2002 and was amalgamated with St Benedict's R.C School in Hillfields.

Whilst the school site was owned by the Catholic Diocese Schools Commission (CDSC) the playing fields were in Council ownership. The total combined area of the former school site was 2.13 acres (0.86 hectares) with the Council ownership (edged red on the attached plan) 0.85 acres (0.34hectares)

The CDSC sold their part of the site in 2004 and the purchaser subsequently tried to purchase the Council's interest and obtained planning permission for a residential and student scheme (which included the Council's land) but unfortunately a disposal was never completed.

The Council granted a lease to Mazing Ltd over its land for use as a private car park to support the Far Gosford regeneration project in 2014. Mazing Ltd and Complex Developments Ltd are the two companies that have developed various projects in Far Gosford St in partnership with the Council. The Fargo Village developers have now submitted an unconditional offer to purchase the site.

**Recommendations:**

The Cabinet Member for Business, Enterprise and Employment is recommended to:

- (1) Authorise the freehold disposal of the land in consideration of the sum to Complex Development Projects
- (2) Delegate authority to the Assistant Director for City Centre and Development Services following consultation with the Cabinet Member for Business, Enterprise & Employment, for any subsequent variation in terms.
- (3) Delegate authority to the Executive Director of Resources and in particular officers within Legal Services to complete the necessary legal documentation in this matter.

**List of Appendices included:**

*Appendix 1 – Site Plan*

**Other useful background papers:**

*Cabinet Member (City Development) 18<sup>th</sup> October 2007*  
*Planning Application 29<sup>th</sup> June 2006 (ref-8203/J)*

**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 The site lies to the east of the city centre on the north side of Sky Blue Way/Walsgrave Road. The former St Marys R.C School closed in autumn 2002 and was amalgamated with St Benedict's R.C School in Hillfields.
- 1.2 The footprint of the school site was owned by the Catholic Diocese Schools Commission (CDSC) with the playing fields in the Council's ownership. The Council's site outlined in red on the attached plan is irregular in shape and is approximately 0.85 acres (0.34 hectares). The total combined area is 2.13 acres (0.86hectares).
- 1.3 With the amalgamation of the St Mary's School with St. Benedict's, the playing fields were declared surplus to requirements and CDSC marketed their school site and disposed of their ownership in 2004 without the involvement of the Council. This left the Council with an irregular shaped site.
- 1.4 A planning application was submitted by the purchaser, which included the Council owned land for private residential, student apartments and health centre on the 29<sup>th</sup> June 2006 (Ref- 8203/J). The application was approved by delegated authority.
- 1.5 A price was agreed with the purchaser of the CDSC land late 2007 whereby they would acquire the Council land however the property market weakened and the offer was withdrawn. The purchaser decided to instruct his agents to market the site, which included the Councils site however due to the purchaser's expectations on value, interest in the joint site was limited.
- 1.6 Ultimately Cygnet Healthcare acquired the former CDSC interest in 2013 and obtained planning permission for a private hospital (FUL/2013/849). Cygnet Healthcare has subsequently made an offer to buy the Council owned land.
- 1.7 To assist the regeneration of Far Gosford Street, the Council granted a three year lease from the 24<sup>th</sup> September 2014 to Mazing Ltd for the use of the land for the purposes of a car park due to the shortage of parking spaces in the area. The temporary car park has however suffered from exceptionally high levels of crime which has deterred usage and the short term interest makes proper surfacing, lightening and CCTV unviable.
- 1.8 CDP have made an unconditional offer to acquire the Councils interest. The proposals for the site are to retain the car parking at ground floor level with the possible development of housing to be located at upper floors. This offer is substantially in excess of the offer made by Cygnet Healthcare.
- 1.9 The offer by CDP represents best value under Section 123 of the Local Government Act 1972 and has been approved by the Councils Valuation Panel.

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

- 2.1 **Accept the Offer-** the Councils interest is irregular in shape and has been marketed for sale since the CDSC closed the St. Marys R.C School in 2004. Despite attempts to

structure a proposal for sale, the offer by Complex Development Projects will give the Council the opportunity to yield a capital receipt in addition to the car park being secured for the patrons of the Far Gosford Street regeneration project. The proposal to build housing above the car park will ensure that the car park is retained to support Far Gosford Street, and Fargo Village, whilst providing new homes in the area.

The offer has been approved by the Council's Valuation Panel as representing best value under Section 123 of the Local Government Act 1972. Accordingly it is recommended that the offer is accepted.

- 2.2 Decline the Offer-** the offer could be declined but the Council would forgo the capital receipt. In addition, the Council would lose the opportunity for new housing.
- 2.3 It is recommended that the Council accepts the unconditional offer for the freehold disposal of the land to Complex Development Projects as per paragraph 2.1.

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

- 3.1 Following the sale to Complex Development Projects, they will have to submit a planning application for any future proposal. As per the procedure for planning applications, adjoining occupiers/neighbours will be consulted by the planning department and that Complex Development Projects will also have to undertake consultation with the local community.

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

- 4.1 Providing Cabinet Member approval is secured, it is expected that the capital receipt will be received in the financial year 2016/2017.

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

#### **5.1 Financial implications**

The receipt for the freehold disposal of land to Complex Development Projects will contribute towards corporate resources and it is expected to be received next financial year.

#### **5.2 Legal implications**

The consideration for the freehold disposal of land to Complex Development Projects represents the best value reasonably obtainable by the Council as verified by the Council's Valuation Panel. This satisfies the Council's requirements to obtain best value under Section 123 of the Local Government Act 1972.

It is proposed that a legal restriction within the freehold transfer be placed upon the site ensuring that the car park remains available to support Far Gosford for a minimum of 25 years.

Pursuant to section 77 of the Schools Standards and Framework Act 1988 the Council is required to seek consent from the Secretary of State for any disposal or change of use of school playing fields which have been used for the purposes of a maintained school in the last 10 years. The land ceased to be used as school playing fields in 2002 and therefore such consent is not required to be obtained.

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 capital receipt will contribute towards corporate resources and will provide regeneration through the development of new housing.

**6.2 How is risk being managed?**

The risks have been identified in paragraph 2.2 with the loss of the capital receipt and housing.

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

The impact to the organisation will be minimal however it will generate additional work for officers within the Resources Directorate (Legal Services) in processing the freehold disposal of the land

**6.4 Equalities / EIA**

An equality impact assessment is a process designed to ensure that a policy project or service does not discriminate against any disadvantaged or vulnerable people. Section 149 of the Equality Act 2010 imposes an obligation on Local Authorities to carry out an equality impact assessment when the local authority is exercising a public function.

An equality impact assessment has not been undertaken by officers as the proposal set out in this report related to the granting of or the creation of a legal interest in the land and does not constitute a change in service delivery policy or the exercise of a public function.

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

*The impact will be positive as the buildings proposed for the site will be constructed up to current building regulations.*

**6.6 Implications for partner organisations?**

None

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