

Cheltenham Borough Council

Cabinet 18 March 2014

Council 31 March 2014

Acquisition of land forming the former Shopfitters site and land at Synagogue Lane and disposal of former car park land at St James Street

Accountable member	Councillor John Rawson, Cabinet Member Finance
Accountable officer	David Roberts, Head of Property & Asset Management
Ward(s) affected	Lansdown
Key Decision	Yes
Executive summary	<p>For many years the former Shopfitters site at St Georges Place has remained derelict. Gloucestershire County Council (GCC) acquired the site as part of a road scheme that is no longer to be implemented. GCC now wishes to sell the site along with open land at Synagogue Lane, which Cheltenham Borough Council (CBC) has been granted rights to use as a staff car park.</p> <p>Officers of CBC have negotiated with GCC to acquire the freehold of both sites in exchange for a capital sum and transfer of land that has been leased to GCC for use as a school playground associated with St John's School.</p> <p>Acquiring the site will give CBC freehold ownership of a substantial brownfield site that may, in the short-term, provide additional car parking space in the town centre to manage those vehicles displaced from North Place and Portland Street and thereafter capable of an appropriate mixed use development.</p>
Recommendations	<p>That Cabinet:</p> <p>Authorises the Head of Property & Asset Management to proceed with the following, in accordance with the terms outlined in the Exempt Appendix III which accompanies this report:</p> <p>1.1 The acquisition from GCC of Synagogue Lane and the former Shopfitters site on St Georges Place (as outlined in red on the plan accompanying this report in Appendix II).</p> <p>1.2 The transfer of former car park land at St James Street which is currently leased to GCC</p> <p>1.3 The submission of an appropriate planning application to demolish the buildings and perimeter walls of the former Shopfitters site, and obtain change of use to a public car park of all the land outlined in red on the plan referred to above.</p> <p>1.4 In consultation with Cabinet Member Finance to approve additional, alternative or amended heads of terms provided the figures</p>

set out in the Appendices are not exceeded

1.5 And that the Borough Solicitor be authorised to enter into any deeds and documents (including ancillary provisions) she considers necessary or advisable to carry into effect the terms of the transaction

Recommends to Council:

That the amount of useable capital receipts (outlined in the Exempt Appendix III) is set aside to cover the cost of acquisition, planning application, demolition, site remediation and construction of a temporary surface public car park and all ancillary costs.

Financial implications	<p>This report proposes that funds be allocated from unapplied capital receipts to cover the cost of acquisition, planning application, demolition, site remediation and construction of a temporary surface public car park.</p> <p>Contact officer: paul.jones@cheltenham.gov.uk, 01242 775154</p>
Legal implications	<p>When disposing of land, the Council is under a statutory obligation to obtain the best consideration that is reasonably obtainable; whilst there is no actual matching obligation in respect of land acquisitions, the Council is under a general obligation to act prudently.</p> <p>The Council has a general power under s120 of the Local Government Act 1972 to acquire land by agreement for the purposes of any of its functions, or for the benefit, improvement or development of the Council's area. Furthermore, s120(2) provides that the Council can acquire land (for any purpose for which it is authorised) which is not immediately required for such purpose, and in the interim period use it for any of the Council's functions.</p> <p>In general terms, therefore, the Council has statutory power to enter into the proposed transaction.</p> <p>It will be essential to ensure that Cheltenham Borough Council receives a "clean" title and adequate access rights. More detailed legal comments on the proposed Heads of Terms are included in Exempt Appendix III.</p> <p>Contact officer: rose.gemmell@tewkesbury.gov.uk, 01684 272014</p>
Key risks	<p>As with any land acquisition, risks are associated with the appropriate use and design for the site. These have been identified within the report and are recorded as being:</p> <ul style="list-style-type: none">• That an appropriate planning consent is not achievable for the site• That the expected income does not satisfy projections• That any future development or sale of the land will not match or exceed the acquisition price• That unknown factors such as contamination or ground conditions result in escalated development costs

Corporate and community plan Implications	Acquisition of the site supports the Council's key objectives of: Strengthening our Economy Ensuring we provide value for money services that effectively meet the needs of the customer
Environmental and climate change implications	None

1. Background

- 1.1 For many years CBC, in agreement with GCC has enjoyed occupation of the car parks East and West of Synagogue Lane for use as staff parking, as part of a land-swap at St James's Street car park where CBC has leased to GCC land to enable St John's school to have sufficient hard surface external play area to meet its OFSTED requirements.
- 1.2 Whilst this arrangement has been effective for many years, the paper trail held by both parties is sparse and the arrangement not fully documented.
- 1.3 GCC have now advised they wish to dispose of Synagogue Lane car parks along with the former 'Shopfitters' site and would like to secure a receipt by the end of this current financial year.
- 1.4 Although time scales are challenging and will require CBC to accelerate normal decision-making processes, the opportunity does offer strategic advantages
- 1.5 The advantages can be identified as
 - It enables the Council to deliver some additional car parking in the south-west quadrant of the town which is perceived as being short of parking. The whole site could deliver 80 spaces depending upon layout.
 - It abuts the popular Chelt Walk car park and provides the opportunity to merge the two in the short term thereby generating additional income; which in turn could help offset the shortfall in parking income arising from the closure of Portland Street and North Place during redevelopment.
 - It resolves a long-standing undocumented land swap arrangement
 - It allows the Council to clear the former Shopfitters site which is currently derelict and in a poor state or repair and condition.
 - It allows the Council to assemble a significant town centre site with substantial development potential which may include options to build out new Municipal Offices and other public facilities.

2. Reasons for recommendations

- 2.1 Acquisition of the site will realise to the Council a substantial brownfield site suitable for development in the short-term as off street public car parking, and offer wider opportunities thereafter for future development of the site in part or whole.

3. Alternative options considered

- 3.1 Do nothing. This is not considered a viable option as both CBC and GCC seek resolution of the on-going situation relating to the occupation of Synagogue Lane and part of St James Street car

park.

- 3.2 The Borough Council could choose not proceed with acquiring the site thus saving itself a capital outlay. However this would not alleviate the anticipated pressure for car park space that the town centre will experience resulting from the closure of North Place and Portland Street. Nor will it allow the Council to assemble a valuable site with development potential.
- 3.3 CBC could consider transferring the former car park land at St James Street to GCC for a capital sum but this would not result in the creation of additional town centre parking.
- 3.4 CBC could consider serving notice on GCC to surrender the lease at St James Street. However such a proposal would deprive the school of the playground land which would impact upon its compliance with OFSTED standards.
- 3.5 If CBC were to serve notice upon GCC as outlined in 4.4 above, then because of the nature of agreement between GCC and CBC concerning Synagogue Lane, CBC would then be required to vacate the land at Synagogue Lane, resulting in no gain of parking space

4. Consultation and feedback

- 4.1 The Borough Council's Executive Board has been consulted with and is in support of the proposed acquisition. The council's Asset Management Working Group considered the proposal at a meeting on 6th March 2014 and agreed the proposals thereon.

5. Performance management – monitoring and review

- 5.1 Via the council's Asset Management Working Group.

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Appendices	<ul style="list-style-type: none">1. Risk Assessment2. Location plan showing site and possible parking layout3. Exempt Appendix
Background information	<ul style="list-style-type: none">1.

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
1	If the derelict site has become inhabited by protected species, then this will require investigation mitigation and a management plan	DR	27/02/2014	4	3	12	Accept	Site to be assessed and appropriate measures taken to manage any bat nests	31/03/2015	CF	
2	If the planning application is refused.	DR	27/02/2014	5	2	10	Accept	Pre-application discussions have taken place to manage outcomes	31/03/2015	CF	
3	If adverse ground conditions affect development, this could impact capital value.	DR	27/02/2014	4	1	4	Accept	Detailed geo-technical assessment to inform design parameters	31/03/2015	CF	
4	If the site becomes subject to trespass/squatting, then there will be a delay in any proposed redevelopment	DR	27/02/2014	3	3	9	Accept	Ensure site is adequately secure and protected	31/03/2015	CF	
5	If site is not be available as an unencumbered freehold, then this may restrict the scope of redevelopment	DR	27/02/2014	3	3	9	Accept	GCC to provide adequate guarantee that site is available with full vacant possession and unencumbered by any adverse rights.	31/03/2015	CF	
6	Site is partially covered in vegetation then no demolition works may proceed until after the nesting season	DR	27/02/2014	2	4	8	Accept	Demolition will not commence until after the nesting season has completed	31/03/2015	CF	