

Title: Land off Queensway, Leamington Spa, CV31 3JZ

Lead Officer: Chris Makasis, Estates Management Surveyor

Portfolio Holder: Cllr Jan Matecki

Confidential report No but a linked confidential report appears elsewhere on the agenda

Wards of the District directly affected:

Leamington Brunswick, Warwick Myton & Heathcote

Contrary to the policy framework: No

Contrary to the budgetary framework: No

Key Decision: Yes

Included within the Forward Plan: Yes

Equality Impact Assessment Undertaken: N/A

Consultation & Community Engagement: N/A

Final Decision:

Officer/Councillor Approval

Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	September 2020	Chris Elliott
Head of Service	September 2020	Steve Partner
CMT	September 2020	Yes
Section 151 Officer	September 2020	Mike Snow
Monitoring Officer	September 2020	Andrew Jones
Finance	September 2020	Mike Snow
Portfolio Holder(s)	September 2020	Cllr J Matecki

1. Summary

- 1.1. To consider the disposal of land off Queensway, Leamington Spa, CV31 3JZ

2. Recommendation

- 2.1. That the Executive approve the disposal of the land off Queensway, Leamington Spa, CV31 3JZ, hatched on the plan attached at Appendix One, subject to terms & conditions listed in the Private & Confidential report elsewhere on in the agenda.
- 2.2. That the use of this capital receipt is agreed by Executive, alongside other funding demands, as part of the Budget process in February 2021

3. Reasons for the Recommendation

- 3.1. The land in question, shown hatched on the plan at Appendix One, covers an area of approximately 3,200 square metres (or approximately 0.8 acres) and is located off Queensway in Leamington Spa. It is owned by Warwick District Council (hereafter referred to as 'WDC') and currently leased to another party under a long lease agreement, upon which a restaurant was erected by the original Tenant, following planning consent in August 1993.
- 3.2. The long lease agreement commenced in October 1993, for a term of 125 years, for which WDC received a capital receipt at the commencement of the Lease, followed by a peppercorn rent of £1 per annum, if charged, for the length of the lease. The land, however, retained in the ownership of WDC.
- 3.3. The current Tenant of the land in question has now approached WDC with a request to purchase the land over which they currently have a long lease and following negotiations between WDC, its external valuers, and the current Tenant, terms & conditions for the sale of the land in question have been agreed, subject to Executive approval.
- 3.4. These terms & conditions are private & confidential as they fall within the provision of information that relates to the financial or business affairs of any particular person, including the authority holding that information, and, hence, are set out in full in the private & confidential report elsewhere on in this agenda.
- 3.5. The proposal will provide WDC with a capital receipt and remove any future concerns that may arise from the long lease and any possible future vacant periods.

4. Policy Framework

4.1. Fit for the Future (FFF)

- 4.1.1. The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects. This report shows the

way forward for implementing a significant part of one of the Council's Key projects.

- 4.1.2. The FFF Strategy has 3 strands, People, Services and Money, and each has an external and internal element to it, the details of which can be found [on the Council's website](#). The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy."

4.2. FFF Strands

4.2.1 External impacts of proposal(s)

People - Health, Homes, Communities - Intended outcomes: Impressive cultural and sports activities, Cohesive and active communities

Services - Green, Clean, Safe - Intended outcomes: Site kept green, clean and safe, Capital receipt will assist with future PPM including works to achieve Climate Change objectives and to be Carbon Neutral by 2030

Money- Infrastructure, Enterprise, Employment - Intended outcomes: Dynamic and diverse local economy, Improved performance/productivity of local economy, Increased employment and income levels

4.2.2. Internal impacts of the proposal(s)

People - Effective Staff – Intended outcomes: Impressive cultural and sports activities, Cohesive and active communities

Services - Maintain or Improve Services - Intended outcomes: Focusing on our customers' needs, Site kept green, clean and safe

Money - Firm Financial Footing over the Longer Term - Intended outcomes: Dynamic and diverse local economy, Improved performance/productivity of local economy, Improved performance/productivity of local economy Supporting Strategies

- 4.3.1. Each strand of the FFF Strategy has several supporting strategies and the relevant ones for this proposal are explained here; The proposal would support WDC's Fit for the Future programme, through the Money strand, by allowing WDC to secure a capital receipt for the General Fund in accordance with the Asset Strategy

5. Budgetary Framework

- 5.1 WDC currently receives a peppercorn rent of £1 if charged for the land in question

- 5.2 The proposal shall provide WDC with a Capital Receipt and will assist WDC to in funding planned and programmed maintenance on the Council's General Fund assets. Details of the proposed receipt are set out in the Private & Confidential report.

6. Risks

- 6.1. The current interested party decides not to progress with the proposal and the capital receipt is not received by WDC. WDC would retain its legal interest in the land in question but would not receive the capital receipt.

7. Alternative Option(s) considered

- 7.1. The Executive could decide not to proceed with the proposal. This is not recommended as it would not deliver the benefits set out in section 5.

8. Background

- 8.1. Planning consent for a restaurant on the land in question was approved in August 1993.
- 8.2. At that time, rather than agree to dispose of the site to the other party, WDC agreed to enter into a long lease with the other party, in return for a capital receipt at that time and an annual rent thereafter of £1 per annum, if charged.
- 8.3. The long lease is due to expire in 2118 after which the Tenant shall have the right to renew the long lease for another term of 125 years, at a rent that will be assessed for the new term of 125 years at that time.
- 8.4. Following discussions between WDC and the current Tenant of the long lease, WDC has agreed appropriate terms and conditions in order that WDC can benefit from disposing of this land, and making use of the capital receipt that it shall receive, in return for losing its ownership and final control of the land in question.
- 8.5. Whilst WDC currently has ownership and final control of the land in question, it does not currently benefit from day-to-day control or use of the site in question, and it will not currently receive any financial benefit from retaining the land until the current long lease expires in 2118.
- 8.6. Taking the above points into account, and the benefits that WDC shall gain from the disposal that are noted in section (5) of this report, the Executive are asked to approve the proposal noted on this report.