
SALE OF LAND AT BRADGATE STREET AND CRANE STREET

Report of the Corporate Director of Resources, Access and Diversity

1. Purpose of Report

To seek delegated authority to dispose of Council owned land at Bradgate Street and Crane Street on a one to one basis to companies having to relocate as part of the Shires West development. Delegated authority is also sought on the sale of a strip of land at Bradgate Street to an adjacent land owner to facilitate an extension of the existing premises. The matter is brought before Cabinet as open marketing will not be undertaken. The Shires relocations will be sales at less than best consideration for regeneration purposes and the strip of land sale will be to a 'special purchaser', in accordance with the approved Framework for the Disposal of Property.

2. Summary

In July 2004 the Council made a Compulsory Purchase Order (CPO) to enable the Shires West development to proceed. This CPO was subject to a Public Inquiry in April 2005 and the final report from the Secretary of State is expected in the next few months.

The Council and Leicester Regeneration Company (LRC) are attempting to relocate affected small businesses whose interests are required as part of the Shires West Scheme. Negotiations have been on-going with two of the businesses and it is intended to dispose of sites at Bradgate Street and Crane Street, which meet their requirements on a one to one basis. The other businesses have not expressed an interest to move to these sites.

These proposals are in accordance with the Council's approved Framework for the Disposal of Property, which allows exceptions from open marketing to facilitate regeneration where the relocation of displaced occupiers is agreed between the Council and Leicester Regeneration Company as appropriate in the circumstances. The Framework also allows exceptions from open marketing when there is a 'special purchaser'.

The site layout at Bradgate Street after the access road and Shires relocation are constructed leaves a 10 metre wide strip to the western extent of the site. The adjacent landowner wishes to purchase this site to allow expansion of the existing business and this is the best use of the land as it allows a strip that would only otherwise facilitate a small car park to be sold for development to a 'special purchaser'.

3. Recommendations

It is recommended that:-

- 3.1 The Director of Resources, Access and Diversity (in consultation with the Cabinet Lead Member for Resources, Access and Diversity) be authorised:-
- (i) To agree terms to dispose of the freehold interest in sites at Bradgate Street and Crane Street on a one to one basis to enable companies to relocate as a result of the Shires West development.
 - (ii) To agree terms to dispose of a freehold site at Bradgate Street on a one to one basis to an adjacent landowner on a 'special purchaser' basis.
- 3.2 The Head of Legal Services is authorised to prepare and execute all the necessary documentation required to dispose of these sites to enable relocation from the Shires.

4. Financial and legal Implications

4.1 Financial Implications (Nick Booth – Extn. 7460)

The proposed disposals of sites at Crane Street and Bradgate Street on a one to one basis will generate capital receipts, which will be used to finance the Council's capital programme. Whilst technically these proposed disposals for the Shires relocation have to be considered as at less than best consideration because they would not be put on the open market, the Council will only proceed if it negotiates what it considers a fair price. If such a fair price cannot be negotiated, then the Council would not be committed to the transactions.

In addition, the sale of the strip of land at Bradgate Street can be justified as a sale to a 'special purchaser' because the capital receipt should exceed what would be achieved on the open market.

There would be a loss of income of £2,000 p.a. from the Crane Street site which can be met from within the property services revenue budget. The Bradgate Street site is currently vacant.

4.2 Legal Implications (John McIvor – Extn. 7035)

Due to the one to one nature of the Shires relocation disposals, the sales will be considered to be at less than best consideration. The General Disposal Consent (England) 2003 allows for sales at up to £2m below open market value for reasons of social, economic and environmental well-being. The proposed disposal appears to fulfil the objectives as set out in General Disposal Consent (England) 2003.

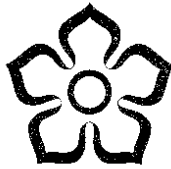
The sale of the strip of land at Bradgate Street will be to a 'special purchaser' which meets the requirements of s.123 of the Local Government Act 1972.

5. **Officer to contact:**

Brendan McGarry
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brendan.mcgarry@leicester.gov.uk

DECISION STATUS

Key Decision	No
Reason	
Appeared in Forward Plan	No
Executive or Council Decision	Executive (Cabinet)



Leicester
City Council

**WARDS AFFECTED:
ABBAY AND FOSSE WARDS**

CABINET

13 JUNE 2005

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SUPPORTING INFORMATION

1. Report

1.1 Shires Relocation

1.1.1 In April 2004 (later modified in July 2004) Cabinet approved that the City Council undertake a compulsory purchase order (CPO) to acquire the land and rights necessary for the construction of the Shires West scheme, which will extend the current Shires Shopping Centre.

1.1.2 This compulsory purchase order was the subject of a Public Inquiry commencing on 19th April 2005 and if confirmed, construction work is likely to start in early 2006.

1.1.3 A consequence of this CPO is that it will affect 4 small businesses in the Burgess Street/Elbow Lane area. These businesses need to relocate to continue trading. The Council, in conjunction with Leicester Regeneration Company, are looking to help relocate these businesses. Work is currently being undertaken on 2 potential disposals for relocations to City Council owned sites at Bradgate Street/Ravensbridge Drive and Crane Street. The two remaining businesses are actively pursuing a relocation to Bursom in conjunction with the Leicester Regeneration Company. There are a small number of other businesses affected by the CPO, but they are unlikely to need Council assistance in relocating.

1.1.4 In April 2005 a Cabinet report recommending the sale of Crane Street was withdrawn. The site had been offered to the 4 affected businesses but, none of them submitted a bid. Recently an approach has been made by one of the affected businesses and as the other 3 parties wish to locate to either Bradgate Street or Bursom, it means this site (Plan 1) at Crane Street is now available for a one to one disposal. Crane Street is currently under utilised as a car park and has been identified as surplus to requirements.

- 1.1.5 The other site this report seeks approval to dispose of is Bradgate Street (identified in Plan 2), which is approximately 1.21 acres in area. It is proposed to dispose of approximately 0.5 acres at this site, with the exact location of the disposal site yet to be determined, but it will be in the south east corner of the site as this is the only viable location when the access road is sited.
- 1.1.6 Because the proposed sales will be on a one to one basis, the Council will not be able to evidence best consideration under S.123 of the Local Government Act 1972, because it was not a totally open marketing exercise. The sales should be able to proceed using the powers in the Local Government Act 1972: General Disposal Consent (England) 2003, which allows for disposal at up to £2 million below the open market value on social, economic and environmental well-being grounds.
- 1.1.7 The potential relocation of 2 businesses is a consequence of the regeneration of the Burgess Street area for a large car park linking to the new Shires West development. The sales will also allow local companies to retain local jobs in the City Centre. The sales therefore fulfil the social, economic and environmental well-being grounds of the General Disposal Consent (England) 2003, as well as being in accordance with the Council's Framework for the Disposal of Property which was approved by Cabinet in October 2003.
- 1.1.8 If the Shires CPO is confirmed then the Council will have the powers to compulsory purchase the 4 interests in Burgess Street/Elbow Lane. The availability of sites to relocate to should ensure that jobs remain in the city and the burden of compensation will be minimised.
- 1.2 Sale of strip of land at Bradgate Street
- 1.2.1 The position of the access road and the only viable siting of the 0.5 acre plot referred to in 1.5 above at Bradgate Street means that a small strip of land approximately 10 metres wide and 30 metres long will be left in the south-west corner of this site.
- 1.2.2 This strip would be too narrow for most commercial uses and therefore it is likely it could only be sold for car parking in the open market. However, it is suitable for the adjacent property in Glenbarr Avenue to extend into. The owners have expressed a desire to extend into this site and can be considered a 'special purchaser' as they will pay above the general market value because of the benefits it will bring to their business.
- 1.2.3 A sale on this basis therefore fulfils the criteria of the Framework for the Disposal of Property as outlined in 1.7 above.

FINANCIAL, LEGAL AND OTHER IMPLICATIONS

1. Financial Implications

These are set out in Paragraph 4.1 of the Summary report.

2. Legal Implications

These are set out in Paragraph 4.2 of the Summary report.

3. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting information
Equal Opportunities	NO	
Policy	NO	
Sustainable and Environmental	NO	
Crime and Disorder	NO	
Human Rights Act	NO	
Elderly/People on Low Income	NO	

4. Background Papers – Local Government Act 1972

None, other than those referred to in the report (except for those referred to which are subject to either confidentiality or data protection).

5. Consultations

Resources, Access & Diversity (Legal and Financial)

6. Risk Matrix

See paragraph 1.1.8 of the Supporting Information as to potential risks of job losses and possible increased compensation if the relocations are not facilitated by the Council.

7. Report Author

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Tom Stephenson
Corporate Director of Resources, Access and Diversity

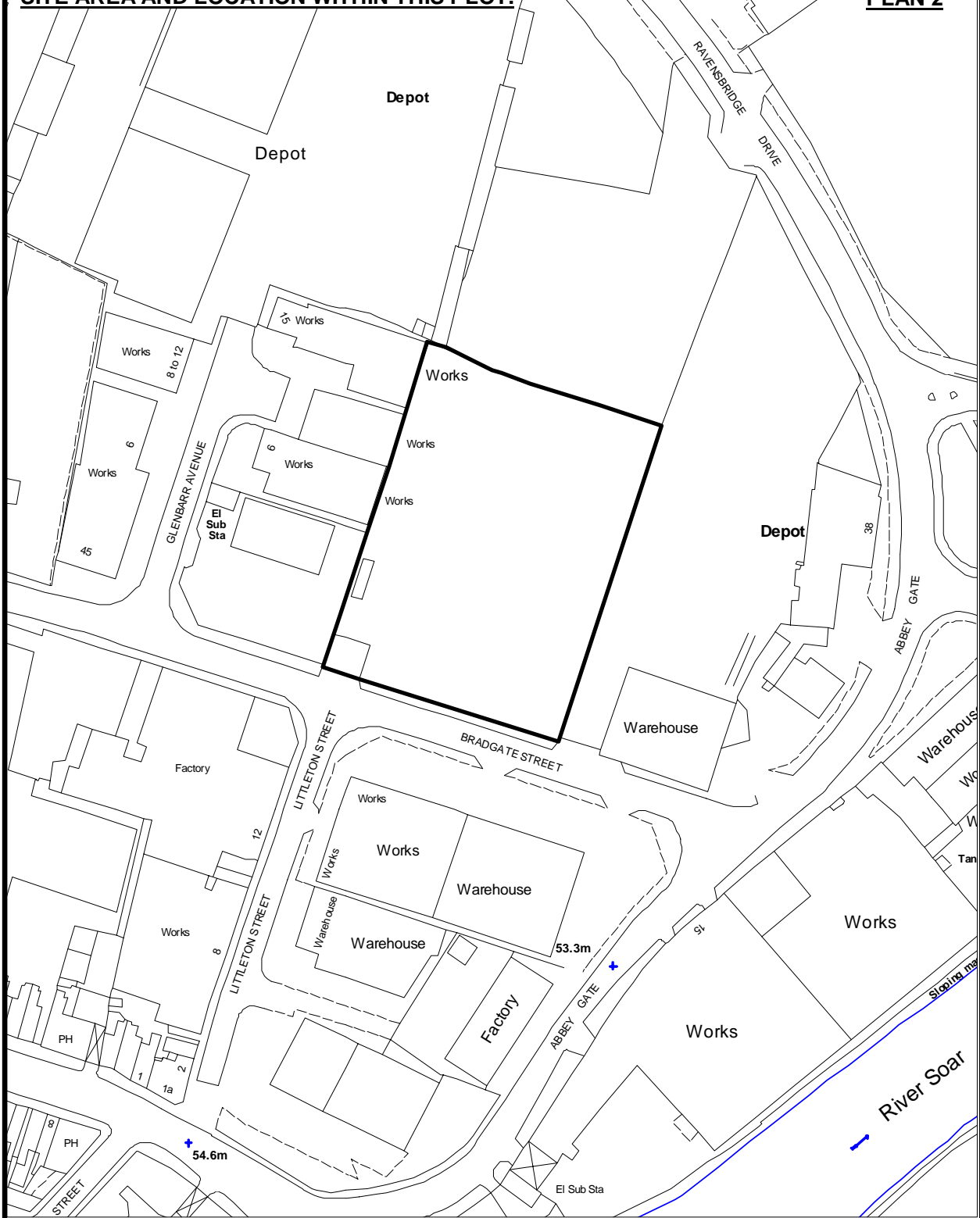
4,896 SQM (1.21 ACRES) OF LAND AT BRADGATE STREET.

IT IS PROPOSED TO DISPOSE OF APPROX (2023 SQM) 0.5 ACRES OF THIS SITE. DETAILED DISCUSSIONS CONTINUE ON TO THE EXACT SITE AREA AND LOCATION WITHIN THIS PLOT.

NORTH



PLAN 2



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CHECKED BYBM DATE 18/05/2005 SCALE

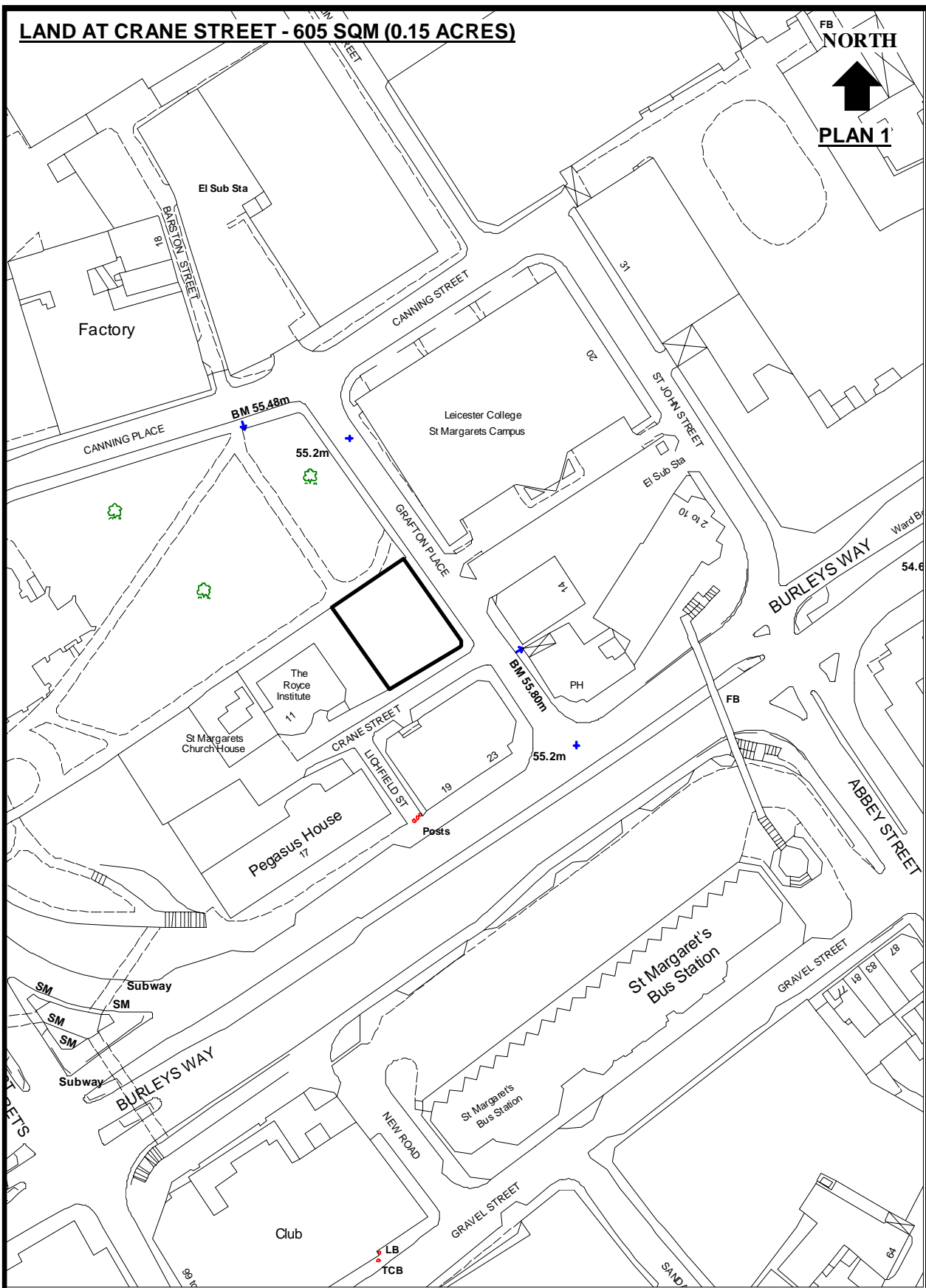
TOM STEPHENSON
CORPORATE DIRECTOR OF
RESOURCES, ACCESS & DIVERSITY
LEICESTER CITY COUNCIL

LAND AT CRANE STREET - 605 SQM (0.15 ACRES)

FB NORTH



PLAN 1



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