



NOTICE OF MEETING

CABINET MEMBER - THE LEADER

MONDAY, 27 JULY 2020 AT 12.00 PM

VIRTUAL REMOTE MEETING - REMOTE

Telephone enquiries to Vicki.Plytas 023 9283 4058
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CABINET MEMBER - THE LEADER

Councillor Gerald Vernon-Jackson CBE (Liberal Democrat)

Group Spokespersons

Councillor Donna Jones, Conservative
Councillor Stephen Morgan, Labour
Councillor Claire Udy, Progressive Portsmouth People Group

(NB This Agenda should be retained for future reference with the minutes of this meeting.)

Please note that the agenda, minutes and non-exempt reports are available to view online on the Portsmouth City Council website: www.portsmouth.gov.uk

Deputations

A written deputation stating to which agenda item it refers must be received by the officer named at the top of the agenda **by 12 noon two working days preceding the meeting.**

Any written deputation received by email will be sent to the Members on the relevant decision making body and be referred to and read out at the meeting within permitted time limits.

AGENDA

- 1 **Apologies for Absence**
- 2 **Declarations of Members' Interests**
- 3 **Exclusion of Press and Public**

In view of the contents of the following items on the agenda the Committee is **RECOMMENDED** to adopt the following motion:

“That, under the provisions of Section 100A of the Local Government Act, 1972 as amended by the Local Government (Access to Information) Act, 1985, the press and public be excluded for the consideration of the following item on the grounds that the appendices to the reports contain

information defined as exempt in Part 1 of Schedule 12A to the Local Government Act, 1972"

The public interest in maintaining the exemption must outweigh the public interest in disclosing the information.

Under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012, regulation 5, the reasons for exemption of the listed appendices are shown below. (NB the exempt/confidential committee papers on the agenda will contain information which is commercially, legally or personally sensitive and should not be divulged to third parties. Members are reminded of standing order restrictions on the disclosure of exempt information and should dispose of the papers as confidential waste on the conclusion of the meeting.

Item	Exemption Para No.*
4. Land at Arundel Street (Exempt Appendix B only)	3
5. Melbourne Place and Dorothy Dymond (Exempt appendices A and D only)	3
6. Madani Academy Portsmouth Ltd (Exempt report and appendix)	3

***3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)**

4 Land at Arundel Street (Pages 5 - 12)

Purpose

This report sets out the proposed transfer of the land at 56 Arundel Street to the Council's arm's length development company Ravelin Housing Ltd, to undertake the proposed redevelopment of the site.

RECOMMENDED

The Leader approves and authorises that;

2.1 Subject to the approval of a Business Case by the S.151 Officer and the Director of Finance for residential redevelopment by Ravelin Housing Ltd;

2.1.1 The Freehold of the land known as 56 Arundel Street (identified on the plan at appendix A) be transferred to Ravelin Housing Ltd for the consideration detailed in this report.

2.1.2 In accordance with section 122 of the Local Government Act 1972, appropriate the land for such statutory purpose as

necessary to deliver the proposed redevelopment, and to authorise the overriding of such easements, rights, or other adverse matters burdening the land, where that is needed to deliver the scheme, in reliance on section 203 of the Housing and Planning Act 2016.

2.2 The City Solicitor be authorised to complete the necessary documentation to complete 2.1 above.

5 Melbourne Place & Dorothy Dymond Car Park exchange (Pages 13 - 20)

Purpose

This report sets out the proposed property opportunities available to the Council working with the University of Portsmouth (UOP).

The Council and the UOP have agreed Heads of Terms for the Council to potentially purchase the Melbourne Place carpark from the UOP whilst simultaneously disposing of the Dorothy Dymond (also known as Guildhall Walk) carpark to the UOP. The Heads of Terms are attached at the confidential appendix A.

RECOMMENDED

The Leader is recommended to give delegated authority to the Director of Regeneration, on the advice of the City Solicitor, to negotiate and complete acquisitions and disposal of Melbourne Place and Dorothy Dymond carparks.

6 Madani Academy Portsmouth Limited - Exempt

EXEMPT REPORT

Purpose

To note the current position of the school and seek approval to the surrender and re-grant of a new lease to The Madani Academy Portsmouth Ltd on the terms set out in this report.

RECOMMENDED

2.1 That the Leader notes the current position as outlined in the exempt report

2.2 That the Leader approves and authorises;

2.3 That the Leader Subject to the Madani Academy Portsmouth Ltd settling all business rates arrears prior to entering into a new lease; that the Council accept a surrender of the existing lease and simultaneously grant a new lease to the Madani Academy Portsmouth Ltd on the terms set out in this report.

2.4 The City Solicitor be authorised to complete the necessary documentation to enact the transaction.

The non exempt part of the meeting is webcast (videoed), viewable via the Council's livestream account at <https://livestream.com/accounts/14063785>



Title of meeting:	Leader Portfolio
Date of meeting:	27 th July 2020
Subject:	Land at 56 Arundel Street
Report by:	Anne Cains - Head of Acquisition & Disposal
Wards affected:	Charles Dickens
Key decision:	No
Full Council decision:	No

1. Purpose of report

- 1.1 This report sets out the proposed transfer of the land at 56 Arundel Street to the Council's arm's length development company Ravelin Housing Ltd, to undertake the proposed redevelopment of the site.

2. Recommendations

The Leader approves and authorises that;

- 2.1 Subject to the approval of a Business Case by the S.151 Officer and the Director of Finance for residential redevelopment by Ravelin Housing Ltd;
 - 2.1.1 The Freehold of the land known as 56 Arundel Street (identified on the plan at appendix A) be transferred to Ravelin Housing Ltd for the consideration detailed in this report.
 - 2.1.2 In accordance with section 122 of the Local Government Act 1972, appropriate the land for such statutory purpose as necessary to deliver the proposed redevelopment, and to authorise the overriding of such easements, rights, or other adverse matters burdening the land, where that is needed to deliver the scheme, in reliance on section 203 of the Housing and Planning Act 2016.
- 2.2 The City Solicitor be authorised to complete the necessary documentation to complete 2.1 above.

3. Background

- 3.1. There is no specific reference to this site in the City Centre Master Planning SPD 2013: But an adjacent site is identified as "A landmark opportunity at the corner of

Lower Church Path and Station Street close to an important city centre gateway at the Arundel Street junction and crossing"

The document seeks to improve the gateway leading to the City Centre from the area East of this site, to provide an improved public realm and create a better offer for retail and residential.

- 3.2 The site is currently occupied by Shopmobility who provide a community service. Shopmobility are currently being relocated to another site in the Cascades complex, city centre.
- 3.3 A planning application to build a 22 storey residential block, with retail units on the ground floor has recently been submitted.
- 3.4 The site has been valued independently at its existing use value (Appendix B).
- 3.5 At the Cabinet meeting on the 26th February 2019 the Cabinet resolved to redefine the purpose of the Ravelin Group of companies to enable the Council to participate in the residential and commercial development of sites within the city and to create and incorporate Ravelin Housing limited.
- 3.6 The Ravelin Group of companies will deliver sustainable growth in a commercial manner through the development of Council owned (and other) lands. Through its development, it will prioritise the creation of balanced communities, delivering a range of homes people can afford (in line with City's housing need) and other products to enable economic growth in and around the City of Portsmouth.
- 3.7 All profits generated will be paid back to the Council in the form of Dividends.
- 3.8 The broad business objectives of Ravelin Group include;
 - 3.8.1 Ravelin Group recognises that the need for affordable sub-market rents will largely be met within the HRA and thus Ravelin Group will work with the HRA to support and deliver these new homes on behalf of the HRA, where appropriate.
 - 3.8.2 Ravelin Group will develop new homes that people can afford to support low income working families, like homes for key workers to rent and shared ownership products to buy in and around Portsmouth, in line with the city's housing need.
 - 3.8.2 Ravelin Group will support the Economic Growth and Inward investment ambitions of the city with its development pipeline. By creating new jobs in property development and offering apprenticeships and training opportunities all with the aim of deriving long term benefits for the City.
 - 3.8.3 Work with the Council to support the delivery of a range of social value outcomes.

4. Proposal

- 4.1 In support of the resolution of Cabinet in February 2019 for the creation of the arm's length development company and to undertake the residential redevelopment of the site it is proposed that the Council transfer the freehold of 56 Arundel Street to Ravelin Housing Ltd at the existing use value as detailed in appendix B.

5. Reasons for recommendations

- 5.1 The recommendations are considered by officers as important to ensure the timely delivery of the scheme.

6. Integrated impact assessment

- 6.1 The contents of this report do not have any relevant equalities and environmental impact and therefore an Integrated Impact assessment is not required.

7. Legal implications

- 7.1 Under s123 of the Local Government Act 1972 the Council may dispose of any land in any manner they wish provided that it must be for the best consideration that can reasonably be obtained. If the disposal is not for the best consideration obtainable then the consent of the Secretary of State will be required
- 7.2 The independent external valuation of the site has established the existing use value, Property & Investment have confirmed that the transfer will take place at this value, the best consideration obtainable.

8. Director of Finance's comments

- 8.1 As mentioned in the main body of the report the Transfer of the property to Ravelin Housing Ltd will only be executed once a financial appraisal has been agreed by the S151 Officer.

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Signed by:

Appendices:

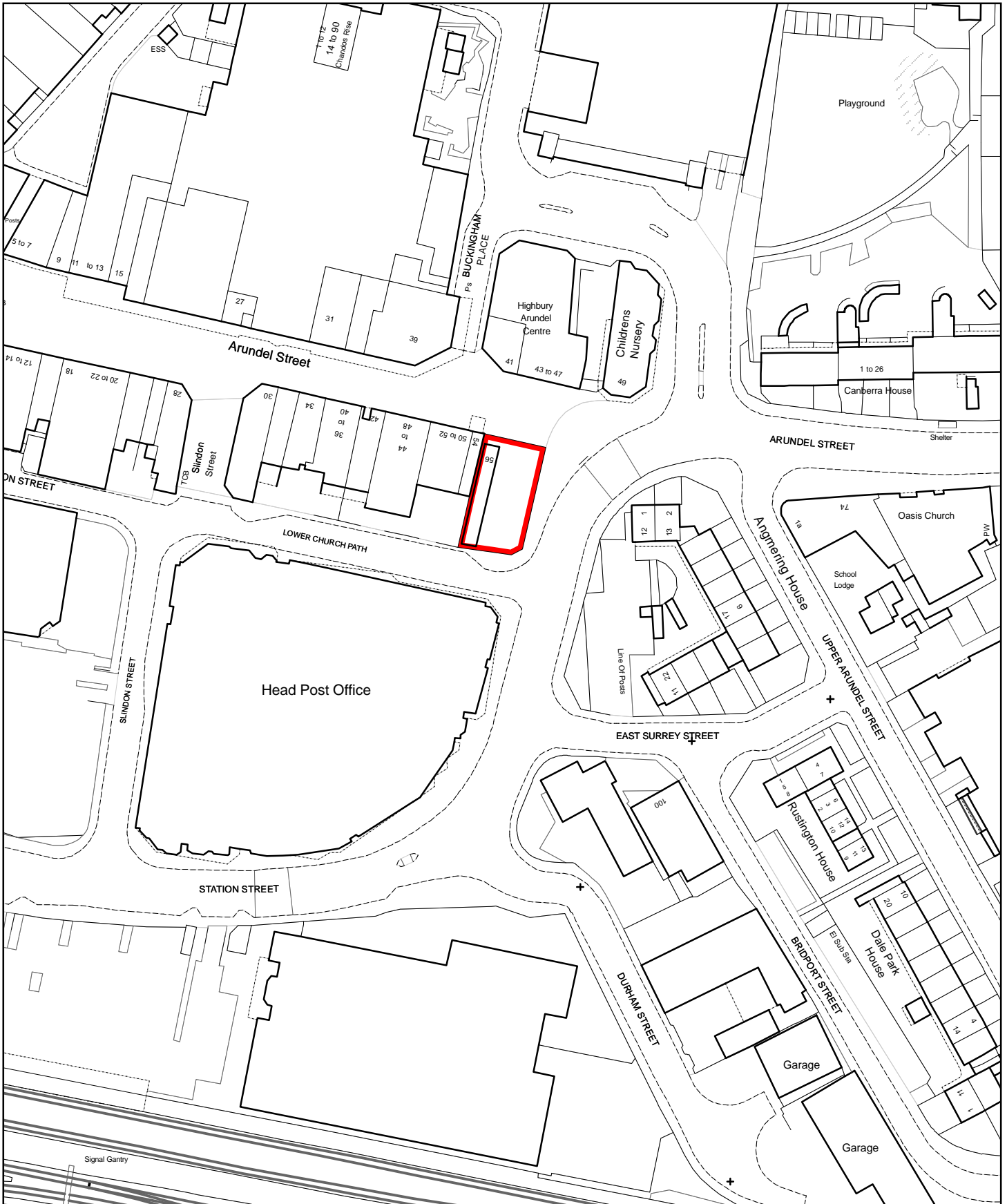
Appendix A - location plan

Appendix B - CONFIDENTIAL Valuation summary

The recommendation(s) set out above were approved/ approved as amended/ deferred/
rejected by on

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Signed by:

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Title: **56 Arundel Street,
Portsmouth,
PO1 1NL.**

Drg No:



**Portsmouth
CITY COUNCIL**

Prepared for: **Property and Investment**

Scale: **1:1250**

Prepared by: **Geographic Information Service**

Date: **14/07/2020**



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Title of meeting:	Leaders Portfolio
Date of meeting:	27 th July 2020
Subject:	Dorothy Dymond / Melbourne Place car parks
Report by:	Tristan Samuels - Director of Regeneration
Wards affected:	Somerstown
Key decision:	Yes
Full Council decision:	No

1. Purpose of report

- 1.1 This report sets out the proposed property opportunities available to the Council working with the University of Portsmouth (UOP).
- 1.2 The Council and the UOP have agreed Heads of Terms for the Council to potentially purchase the Melbourne Place carpark from the UOP whilst simultaneously disposing of the Dorothy Dymond (also known as Guildhall Walk) carpark to the UOP. The Heads of Terms are attached at the confidential appendix A.

2 Recommendations

The Leader is recommended to:

- 2.1 Give delegated authority to the Director of Regeneration, on the advice of the City Solicitor, to negotiate and complete acquisitions and disposal of Melbourne Place and Dorothy Dymond carparks.

3 Background

- 3.1 The Somerstown and North Southsea area action plan was adopted on 17 July 2012. The plan's purpose is to:
- 3.2 Outline a vision for managed change to the physical structure and layout of area which is informed by the priorities identified by residents and other stakeholders
Ensure that the area is not subject to 'ad hoc' and piecemeal development that conflicts with these priorities
- 3.3 Set out development proposals that will deliver the comprehensive restructuring of the area and act as a catalyst for regeneration.

- 3.4 Provide the basis for future land assembly including compulsory purchase order (CPO) powers
- 3.5 The area covered by The Somerstown and North Southsea area action plan, is adjacent to an area covered by the City Centre master plan supplementary document 2013, which covers a site considered in one of the options.

The Melbourne Place Carpark (Appendix B Location Plan)

- 3.6 Is a two storey semi-underground 107 space carpark and is situated in the area of the Somerstown masterplan.
- 3.7 The Melbourne Place Carpark has been let on a long lease of 125 years to the UOP and currently has 92 years remaining.
- 3.8 The building is in need of significant repair estimated at £750,000 as part of the universities obligations, approximately 45 spaces are in use at present.

The Dorothy Dymond Car Park (Appendix C Location plan)

- 3.9 Is situated within the City Centre masterplan area, currently designated as a 58 space carpark, identified as a potential development site for a variety of uses, up to six storeys.

4 Proposal

- 4.1 To purchase the Melbourne Place car park as this is required by the City Council to facilitate the future regeneration of the Somerstown Masterplan.
- 4.2 The University have indicated that they would be able to surrender their interest and while they are looking to reduce their staffs reliance on car usage they do still require parking in the City Centre to facilitate staff retention in the medium term.
- 4.3 The UOP have agreed to accept a long leasehold interest of DD with restrictions on the lease to clawback additional value in the event the site is developed. In lieu of any additional compensation to the UoP the site will be exchanged for the Melbourne Place site. A valuation of the two sites is attached in the confidential appendix D.

5 Reasons for recommendations

- 5.1 The recommendations are considered by officers as important to ensure the future delivery of the Somerstown Masterplan.

6 Integrated impact assessment

- 6.1 The contents of this report do not have any relevant equalities and environmental impact and therefore an Integrated Impact assessment is not required.

7 Legal implications

- 7.1 Under s.123 of the Local Government Act 1972 there is a general power for local authorities to dispose of land in any manner they wish. The only restriction is that it must be for the best consideration obtainable.

- 7.2 If the disposal is not for the best consideration obtainable then the consent of the Secretary of State will be required.

- 7.3 The General Disposal Consent Order on 30 July 2003 which came into force on 4 August 2003 gives consent to a disposal of land for less than best consideration in certain specified circumstances. These circumstances are:

a) the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area:-

- i) the promotion or improvement of economic well-being;
- ii) the promotion or improvement of social well-being;
- iii) the promotion or improvement of environmental well-being;

AND

b) the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed two million pounds.

- 7.4 Unrestricted value means the best price reasonably obtainable for the property on terms that are intended to maximise the consideration.

- 7.5 The terms of the consent mean that specific consent is not required for the disposal of any interest in land which the authority considers will help it to secure the promotion or improvement of the economic, social or environmental well-being of its area for the best value that can be obtained or at an undervalue not in excess of £2 million. Where the consideration is the best obtainable then there is no need to satisfy the criteria of economic, social or environmental well-being as the Council can rely on the general power under section 123.

- 7.6 In determining whether or not to dispose of land for less than the best consideration reasonably obtainable, and whether or not any specific proposal to take such action falls within the terms of the General Disposal Consent, the authority should ensure that it complies with normal and prudent commercial practices, including obtaining

the view of a professionally qualified valuer as to the likely amount of any undervalue. Officers have confirmed that point 7.3 a & b above are satisfied by this proposal.

- 7.7 In respect of the proposed terms for the new site please note a lease of more than 40 years, and 25 years of that term has expired, the Upper Tribunal has jurisdiction to discharge or modify restrictions affecting that leasehold land, as if it were freehold - and that can extend to modifying the permitted use.

8 Director of Finance's comments

- 8.1 The off street Car Park known as Dorothy Dymond currently yields around £167,000 per annum in pay and display income. Off street parking income is accounted for in the general. After disposing of the site the Council will need to identify either additional income or savings in order to make up this loss of income.
- 8.2 Before acquiring the Melbourne Place car park and then entering into a long lease with the University for the Dorothy Dymond car park the Council needs to ensure that the development opportunity is financially appraised to ensure that it is commensurate in value in order to cover this loss of income.

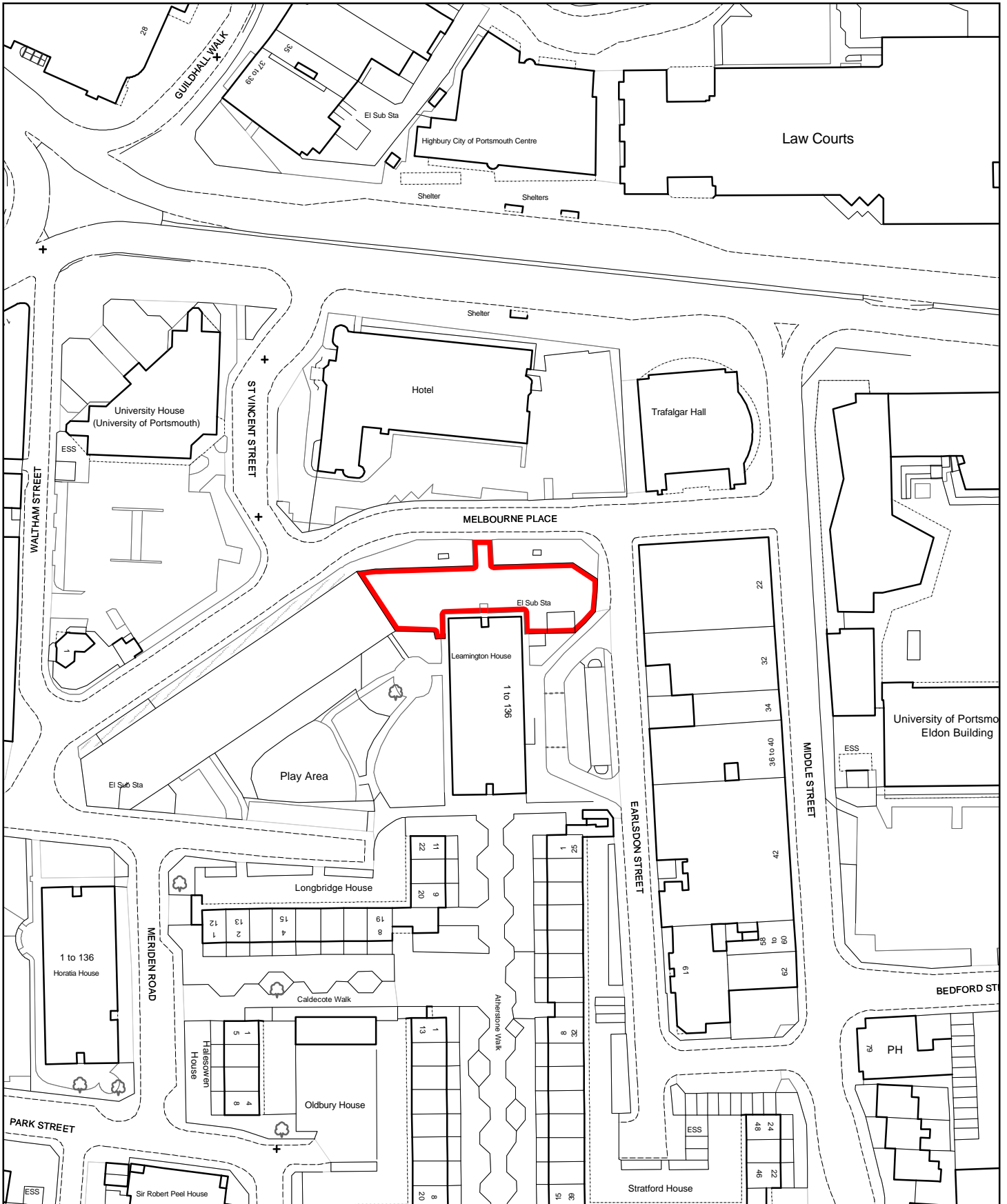
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Signed by:

Appendices:

- Appendix A - CONFIDENTIAL Draft Heads of terms
- Appendix B - Melbourne Place location plan
- Appendix C - Dorothy Dymond location plan
- Appendix D - CONFIDENTIAL Report & Valuation Summary jointly commissioned by PCC & UoP from CBRE

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by:



Title: **Land at Melbourn Place,
Southsea.**

Drg No:



**Portsmouth
CITY COUNCIL**

Prepared for: **Property and Investment**

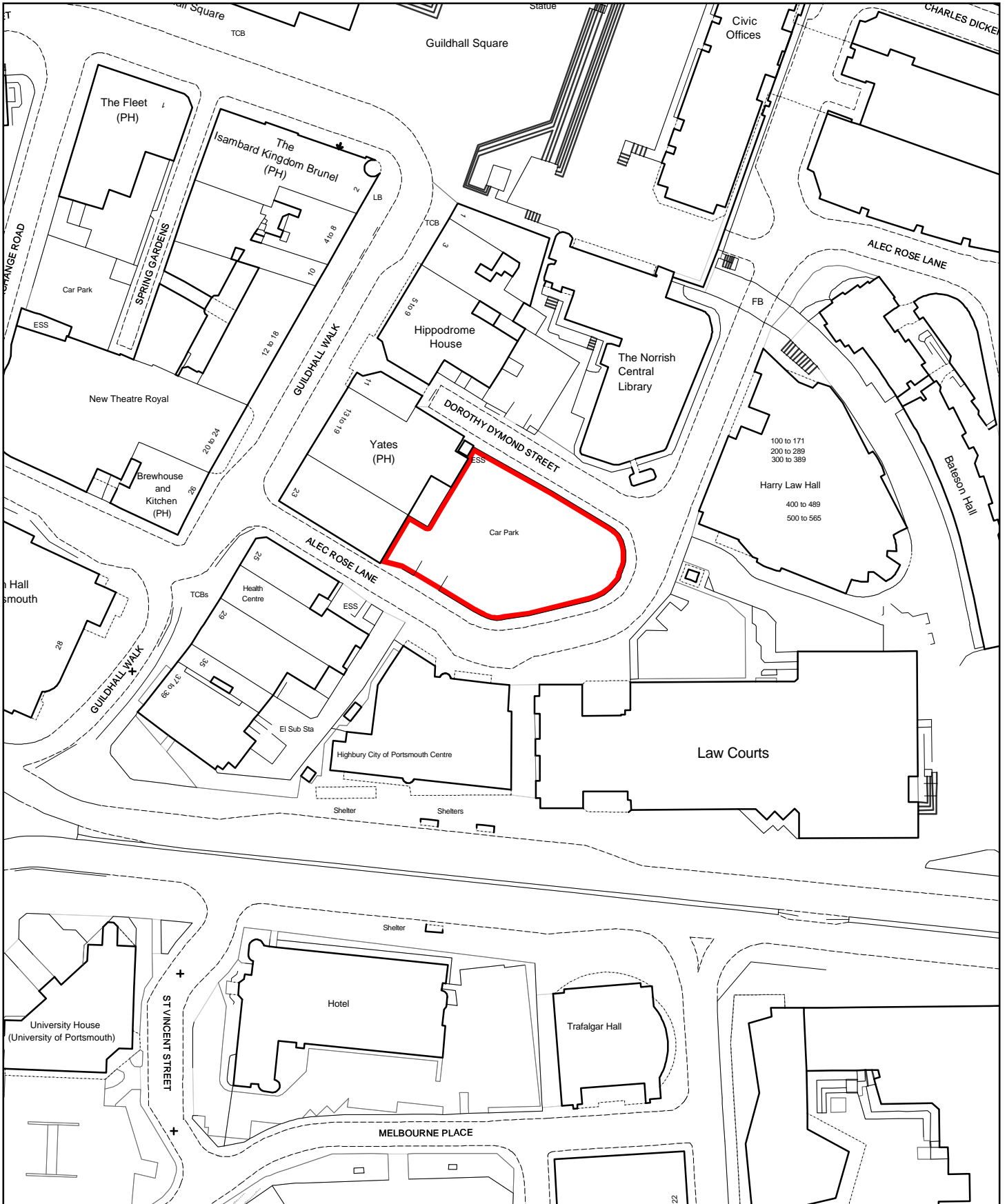
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Prepared by: **Geographic Information Service**

Date: **14/07/2020**



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Portsmouth
CITY COUNCIL

Title: **Car Park,
Dorothy Dymond Street,
Portsmouth.**

Drg No:

Scale: 1:1250

Prepared for: **Property and Investment**

Date: 14/07/2020

Prepared by: **Geographic Information Service**



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