



Title of meeting: Cabinet
Date of meeting: 9th January 2024
Subject: Land swap at Flathouse Road, Portsmouth
Report by: Anne Cains, Head of Acquisition & Disposal
Wards affected: Nelson Ward
Key decision: Yes
Full Council decision: No

1. Purpose of report

- 1.1. The purpose of the report is to seek the authority of the Cabinet to proceed with a land swap of the sites known as 42 Flathouse Road, Portsmouth and the site known as The Lorry Park, Flathouse Road, Portsmouth.

2. Recommendations

It is recommended that Cabinet:

- 2.1. Delegate authority to the Assistant Director of Regeneration and City Solicitor to finalise negotiations, prepare and complete all necessary documentation in order to undertake 2.2 below subject to the S151 Officer approval of the Business Justification Case.
- 2.2. The Freehold of the land (registered title HP468782) known as 42 Flathouse Road identified on the plan edged yellow at Appendix A, be acquired by the City Council for the consideration detailed in the confidential Appendix B.
- 2.3. The Freehold of the land (registered title HP385570) known as (part of) The Lorry Park, Flathouse Road, edged red at Appendix A, be transferred to the vendor of HP468782 (above) as part of the exchange.

3. Background

- 3.1. The Council's vision as set out in the Corporate Plan 2023-24 includes a priority to ensure the city has a thriving economy. This economic priority is supported directly by this land swap proposal as it helps to deliver on aspirations detailed within the Port Master Plan in 2023/24.



- 3.2. Negotiations with the owner of 42 Flathouse Road have taken place and the parties have reached agreement in principle for the Council to acquire the site (land and buildings). The owners are simultaneously looking to complete a development of the adjacent site currently held under a lease, Portsmouth City Council own the freehold of this site (open land).
- 3.3. The sites have been valued to reflect the current values.

4. Reasons for recommendations

- 4.1. The site sits within an area south of the Port, comprising fragmented ownership. The interests of HP114030 edged blue and HP475923 edged green (Appendix A) are also held by the current owner of HP6872. Both parties have aspirations to comprehensively develop the sites but the fragmentation presents difficulties.
- 4.2. The attached Business Justification Case (Appendix C: Exempt) sets out the justification to support the acquisition. A land swap will allow both parties to progress their own schemes in support of the local economy.
- 4.3. Given the site's importance to the Port masterplan to meet the Port's long term objectives, securing the site through the proposed land swap will allow the Port to realise growth ambitions and enable the current owner to develop their business aspirations.

5. Integrated impact assessment

- 5.1. A copy of the Integrated Impact Assessment (IIA) is located in appendix D.

6. Legal implications

- 6.1 Under Section 120 (1) of the Local Government Act 1972 local authorities can acquire land for the benefit, improvement or development of their area. The land does not need to be immediately available for that purpose.
- 6.2 Under s123 of the Local Government Act 1972 the Council may dispose of any land in any manner it wishes provided it is for the best consideration that can reasonably be obtained. If the disposal is not for the best consideration, then the consent of the Secretary of State will be required.
- 6.3 However, Secretary of State consent to the disposal would be required where the Local Authority considered that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in



respect of the whole or any part of its area, or of all or any person 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

6.4 In this instance the consideration of the land being acquired is best consideration.

7. Director of Finance's comments

7.1 The financial appraisal assumes a net cost from the land swap which will be funded with unsupported borrowing.

7.2 The loss of income from site HP385570 will be replaced by higher income from the new acquired site HP468782. This increase in income will be sufficient to cover the interest and principle repayments on the debt over a period of 30 years.

7.3 The financial appraisal demonstrates a positive NPV and positive cashflow.

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Signed by:

Appendices:

- Appendix A Site Plan
- Appendix B Heads of Terms (Exempt)
- Appendix C Business Justification Case (Exempt)
- Appendix D Integrated Impact Assessment

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

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

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Signed by: