



Title of meeting: Cabinet Meeting

Date of meeting: 29 October 2024

Subject: Disposal of 32, 34, 42, 56, 58-60 Middle Street, Portsmouth

Report by: Anne Cains - Head of Acquisition & Disposal

Cabinet Member: Councillor Steve Pitt - Leader

Wards affected: St Thomas Ward

Key decision: Yes

Full Council decision: No

1. Purpose of report

1.1 To seek the final approval of the Leader of the council as portfolio holder to dispose of the above properties shown on the plan at Appendix A, subject to the existing long leaseholds listed in Appendix B on the terms set out in the Heads of Terms in Appendix D (exempt).

2. Recommendations

2.1 Further to the Leader's decision on 22nd November 2022, the Cabinet is now asked to confirm approval to dispose of the site known as 32, 34, 42, 56 and 58-60 Middle Street, Portsmouth to PVD1 Ltd, subject to the long leases currently in place in accordance with the schedule of interests attached in Appendix B.

3. Background

3.1 Following a report to Cabinet on 22nd November 2022, officers have concluded negotiations and agreed terms as set out in the attached Heads of Terms document in Appendix D (exempt).

3.2 On 22nd November 2022, the Leader and Members delegated authority to officers to enter into negotiations to agree terms to dispose of the properties described subject to final approval of terms. As such this report seeks to advise members of the terms agreed and to seek final approval to conclude the sale.

3.3 The disposal will be subject to an Option Agreement exercisable on receipt of a successful planning consent by the purchaser.



3.4 The developer owns the leasehold interest in four of the properties, having negotiated and acquired these from the previous leaseholders. The council has reviewed its own ability to acquire and deliver a housing scheme on this site and whilst policy compliant it is not considered viable and is not within the approved capital programme. The council would also need to negotiate the surrender of the current leasehold interests from the developer.

3.5 The council's planning department did recommend council approve an application to redevelop the site to provide 163 residential units. Due to a legal technicality on ownership the developer was unable to satisfy the s.106 agreement, as such the developer withdrew the application (now showing status as dismissed).

4. Reasons for Recommendations

4.1 As mentioned in the 22nd November 2022 report the council will receive a capital sum as set out in the agreed Heads of Terms in Appendix D (exempt) subject to the developer securing a successful planning consent for the proposed scheme.

5. Integrated impact assessment

5.1 See Appendix C.

6. Legal implications

6.1 Under s.123 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.

6.2 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

6.3 Property & Investment have confirmed that the council is obtaining the best consideration that can reasonably be obtained.

7. Director of Finance's comments

7.1 The current income from the council's interest in this property is £264 per annum.

7.2 The disposal will result in a capital receipt to the council exceeding the capital value of the existing interest.



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Signed by:

Appendices:

- Appendix A: Location Plan
- Appendix B: Schedule of interests
- Appendix C: Integrated Impact Assessment
- Appendix D: Heads of Terms (Exempt)
- Appendix E: Cabinet Report 22/11/2022

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: