

Agenda item:

Title of meeting: Cabinet

Date of meeting: 24th September 2015

Subject: Disposal of property on Isambard Brunel Road

Report by: Director of Property

Wards affected: Charles Dickens

Key decision: Yes

Full Council decision: No

1. Purpose of report

- 1.1 To seek authority to dispose of surplus property on Isambard Brunel Road, including Chaucer House, 32 Isambard Brunel Road, Great Western House, the former Navigators Resource Centre, and potentially parts of the highway (adopted and otherwise), subject to the necessary agreements, stopping up as may be reasonably required.

2. Recommendations

- 2.1 That, Chaucer House, Great Western House, and the former Navigators Resource Centre be declared surplus to Council requirements and marketed for redevelopment.
- 2.2 That following the marketing of the site the Corporate Asset Development Board in consultation with the Director of Finance, be empowered to select an offer including the method of disposal for redevelopment, which could include but not be limited to;
- Freehold or leasehold sale
 - Entering a Joint venture arrangement with a third party
- 2.3 The Director of Property, the Director of Finance & Section 151 Officer, and the City Solicitor, be given authority to secure vacant possession of the site (as identified in Appendix 1) and to complete all necessary documentation required to complete the transaction as per 2.2 above.

3. Background

- 3.1 The Isambard Brunel Road site comprises the following assets:

- Chaucer House, a 3 storey office building with 3 retail units on part of the ground floor, a dry cleaner, a newsagent and a training centre. The building is occupied on part of ground floor, first floor and second floor by Portsmouth City Council.
- 32 and 34 Isambard Brunel Road occupied by Relate Service by way of a lease.
- Great Western House, a 3 storey building currently occupied by Portsmouth City Council.
- The Former Navigators Resource Centre, which is occupied by Barnado's Children Charity and integrated PCC/NHS services.

- 3.2 These sites, can be seen on the indicative site plan (Isambard Brunel Road site) attached at Appendix 1. Potentially parts of the highway (adopted and otherwise), will be included as required subject to the necessary agreements, stopping up as may be reasonably required.
- 3.3 The Council is the freehold owner of Chaucer House, Great Western House and the former Navigators Resource Centre. The Council has an under-lessee of 32 and 34 Isambard Brunel Road for a term of 999 years from 6th August 2001.
- 3.4 The site has also been identified as a 'development opportunity' as part of the Council's adopted City Centre Masterplan (adopted in January 2013), which supports policy PCS4 of the Portsmouth Plan (the local development plan for the city).
- 3.5 The Masterplan sets out the Council's vision for creating a vibrant and successful city centre, which will include welcoming gateways, beautiful streets, lively and distinctive spaces and delightful buildings. To transform the area into a quality place where people chose to live, work, study visit and invest.
- 3.6 The Masterplan refers to the site as Site 13: Chaucer House and Site 15: Navigators Resources Centre which falls within the wider area referred to as the 'Guildhall Area'. The Masterplan identifies this part of the city as being a vibrant city quarter supporting a mix of business, culture, leisure, learning activities and new places to live. More specifically, it states that this site could be redeveloped for a range of city centre uses such as, office accommodation (use class B1), hotels (use class C1), student accommodation (use class C1) or education / community uses (use class D1). The Masterplan also states that ground floor 'active uses' (such as retail, cafes or restaurants) will be important on the frontage to Isambard Brunel Road to provide the activity and overlooking onto a busy pedestrian route. The Masterplan also provides further design guidance on the key issues, such as access points, important elevations and storey heights (see pages 66 - 71 of the Masterplan).

- 3.7 The Masterplan also highlights the importance of the 'public realm' in this part of the City. Referred to as 'Isambard Brunel Place' it sets out that the redevelopment of this site, provides an opportunity to establish a more unified space that effectively links the Railway Station to Guildhall Square and enhances the pedestrian environment, such as enhancements to the footways along either side of the Isambard Brunel Road linking through to Greetham Street and down to the gateway junction with Winston Churchill Avenue. The Masterplan provides more specific design guidance on these enhancements (see pages 106 - 107 of the Masterplan).
- 3.8 The continued implementation of the 'working anywhere' project means that all employees and services currently located within the above buildings can be accommodate, and will be accommodated in other operational buildings including the Civic Offices.
- 3.9 Other third parties occupying the site are aware of the potential redevelopment. Vacant possession of the site will be secured using existing Landlord and Tenant powers where existing leases have break clauses and / or termination provisions or via negotiation where such provisions do not exist. It is hoped that vacant possession can be achieved by the end of March 2017.

4. Reasons for recommendations

- 4.1 The disposal of this site creates an opportunity for the council to promote and deliver its vision for the city centre and to continue the recent investment and redevelopment that has already occurred in this part of the city. There is also an opportunity for the council to achieve savings, reduce repairing liabilities, and benefit from capital receipts and or revenue generation through the disposal of these surplus assets.

5. Equality impact assessment (EIA)

- 5.1 An Equality Impact Assessment for the disposal of assets is available on the website.

6. Legal Implications

- 6.1 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 then the consent of the Secretary of State will be required.
- 6.2 However, Secretary of State consent to the disposal is not 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 In accordance with the Council's constitution this matter requires the approval of both the Cabinet and full Council as this is a key decision as the value of the properties exceeds £250,000.

7. Finance Comments

7.1 This report seeks to market the sites for redevelopment, either through freehold or leasehold sale, or through a joint venture working with a third party.

7.2 With the exception of the 3 retail units on the ground floor of Chaucer House, the properties on Isambard Brunel Road that are being proposed as surplus are currently held within the Housing Revenue Account.

7.3 Disposing of the 3 retail units will result in a loss of rental income to the General Fund of approx. £27,000 per year. This, however, is offset by savings in rent payable by General Fund services working within HRA owned offices of approximately £108,000 per year.

7.4 Any capital receipt generated through a sale of the site would be deemed a corporate resource, but be limited in its use to funding affordable housing or regeneration.

7.5 Following the marketing of the site, a robust and detailed financial appraisal approved by the Director of Finance will be completed in order to identify the option that delivers best value to the Council.

7.6 In order to ensure that the Council is able to act promptly it is recommended that delegated authority be given to the Corporate Asset Development Board, in consultation with the Director of Finance, to approve and progress the method of disposal for redevelopment.

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Signed by:

Appendices:

Appendix 1 - Isambard Brunel Road site plan

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
Portsmouth Plan, January 2012	Copies available from the City Development Team or at www.portsmouth.gov.uk
City Centre Masterplan - supplementary planning document, January 2013	Copies are available from the City Development Team or at www.portsmouth.gov.uk

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

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Signed by:

APPENDIX 1