



## Officer Decision Report

**Author/Lead Officer of Report:** Tammy Whitaker  
Head of Regeneration and Property Services

**Tel:** 07342 071141

**Report of:** *Kate Martin, Executive Director City Futures*

**Date of Decision:** *12<sup>th</sup> May 2023*

**Subject:** *Fargate/ High Street Property Acquisition*

|   |     |                                     |    |                                     |
|---|-----|-------------------------------------|----|-------------------------------------|
| Has an Equality Impact Assessment (EIA) been undertaken?  | Yes | <input type="checkbox"/>            | No | <input checked="" type="checkbox"/> |
| If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>   |     |                                     |    |                                     |
| Has appropriate consultation taken place?   | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/>            |
| Has a Climate Impact Assessment (CIA) been undertaken?  | Yes | <input type="checkbox"/>            | No | <input checked="" type="checkbox"/> |
| Does the report contain confidential or exempt information?   | Yes | <input checked="" type="checkbox"/> | No | <input type="checkbox"/>            |
| If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-                                   |     |                                     |    |                                     |
| <i>"The Part 2 report is not for publication because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended)."</i> |     |                                     |    |                                     |

### Purpose of Report:

To seek approval for the acquisition of property as set out within Part 2 of this report utilising existing Brownfield Acquisitions Fund budget.

Due to an extremely short timeframe from when the property has come onto the market and the sale deadline confirmation has been sought and approved by the Council's Interim General Council that the decision can be made by an officer rather than committee.

**Recommendations:**

- That the property identified in Part 2 of this report is acquired subject to acceptable terms being agreed by the Chief Property Officer in consultation with the Councils Interim General Counsel.
- That the purchase and associated acquisition costs be added to the Council's capital programme.

**Background Papers:**

| Lead Officer to complete:- |   |  |
|----------------------------|---|--|
| 1                          | I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.  | Finance: Tony Kirkham/Natalia Govorukhina                    |
|                            |   | Legal: <i>David Sellars/David Hollis</i>                     |
|                            |   | Equalities & Consultation: <i>NA</i>                         |
|                            |   | Climate: <i>NA</i>   |
|                            | <i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>   |  |
| 2                          | <b>SLB member who approved submission:</b>  | <i>Kate Martin, Executive Director City Futures</i>          |
| 3                          | <b>Committee Chair consulted:</b>   | <i>Cllr Zahira Naz, Chair of Finance Committee</i>           |
| 4                          | I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1. |  |
|                            | <b>Lead Officer Name:</b> Tammy Whitaker  | <b>Job Title:</b> Head of Regeneration and Property Services |
|                            | <b>Date:</b> <i>12<sup>th</sup> May 2023</i>  |  |

## **1. BACKGROUND**

- 1.1 The opportunity available is to acquire the Freehold interest in a building within the Fargate/High St area, the details of which are contained within Part 2 of this report.

The acquisition of additional property would increase ownership within this location and support the objectives of committed Future High Street Fund (FHSF) investment.

The timeframes available to try and seek to acquire the property are extremely restricted hence an officer approval is being sought for the acquisition as confirmed with the Counsel's Interim General Counsel.

- 1.2 The acquisition of the property is to be funded from the existing Brownfield Acquisitions Fund budget, as outlined in the Section 4.3 of this report. However, the Council will seek an approval from SYMCA and DLUHC to reallocate Get Building Fund (GBF) and FHSF grant funding to cover the costs of the acquisition. If approved by SYMCA/ DLUHC, then the report will be submitted to Transport, Regeneration and Climate Committee to seek a formal approval for reallocation of funding, and a variation agreement and project adjustment requests would be completed.

## **2. HOW DOES THIS DECISION CONTRIBUTE?**

- 2.1 Resolving the current challenges exemplified by the pandemic will be key to the future success of committed City Council and Government investment in Heart of the City 2 and Fargate/High Street.
- 2.2 The current programme of activity across the City is welcomed and supported by the public, business and retailers; however, additional activity is required alongside these programmes to ensure success especially as the investment in the City Centre over the next 2 years will bring further disruption to visitors, business and retailers as works begin on site.
- 2.3 The proposed acquisition will increase the Council's ownership within the area and allow the Council to continue to take forward regeneration of the City centre.
- 2.4 The proposal aims to bring underutilised areas of property back into economic use, aligned to the committed objectives of the FHSF, encouraging footfall, the vibrancy of the city and creating and supporting jobs.
- 2.5 The proposed acquisition is in addition to that identified in the FHSF and will overcome the known prohibitive issues associated with temporary occupancy due to tenant/landlord dispute and uphold a level of vibrancy

and footfall throughout FHSF construction works.

- 2.6 The aims of the acquisition are aligned to the Corporate Plan and aimed at improving the city centre for the benefit and wellbeing of residents, workers and visitors from across the City Region.

### 3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 Although there has not been any specific consultation in relation to the proposal set out within this report, there has been in relation to other elements such as the Future High Street Funding and Fargate which were supported by responses from the public.

### 4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

#### 4.1 Equality Implications

- 4.2. An Equality Impact Assessment has not been undertaken due to time restrictions however other investments referred to within this report have been included in previous reports in relation to the Future High Street Fund project for which Equality Impact Assessments have been undertaken. Those EIAs considered that the projects are of universal benefit to local people and that the socio economic and community cohesion impacts are anticipated to be particularly positive.

#### 4.3 Financial and Commercial Implications

- 4.4 It is intended that the costs of the proposed acquisition of the property will be funded entirely from the existing Brownfield Acquisitions budget. Estimated acquisition costs are outlined in the table below, please refer to the Part 2 of the report for more detail.

|                              |                  |
|------------------------------|------------------|
| Purchase Price (Maximum Bid) | £500,000         |
| SDLT                         | £14,500          |
| Auction Costs                | £2,500           |
| Legal and professional fees  | £15,000          |
| <b>Total</b>                 | <b>£532,000*</b> |

\* These costs are estimates, exclusive of VAT

Where any short or longer-term holding costs of the property are not capable of being capitalised, then these will have to be funded from existing Property Service (Commercial Estate) revenue budgets. These can only be ascertained when the specific proposal for the property and exit plans are confirmed.

- 4.5 No funding has been identified for any other costs that will potentially need to be incurred post-acquisition including professional fees, surveys and legal fees, and any capital costs associated with the condition or future redevelopment of the property. Business cases will have to be produced to

outline the scope / costs / funding and will be subject to approval by the relevant Committee in line with the capital approval process.

4.6 Any revenue costs associated with this property will have to be funded from existing Property Service (Commercial Estate) revenue budgets, and mitigations will have to be identified to deal with any budget pressures. These costs may include maintenance, management, holding costs and any other revenue costs. Please refer to the Part 2 of the report for further detail.

4.7 All procurement must be in line with Councils Standing Orders. A Commercial Strategy must be submitted alongside business cases for review and sign off by the Commercial Team prior to any procurement taking place.

#### 4.8 Legal Implications

4.9 Section 120 of the Local Government Act 1972 gives the Council power to acquire by agreement any land or property for amongst other purposes the benefit, improvement or development of the Council's area. For the reasons set out in this report the Council considers that the acquisition of the premises on Fargate will comply with the requirements of section 120.

#### 4.10 Climate Implications

4.11 Considerations of climate implications and an initial Climate Impact Assessment has not been undertaken due to limited time restrictions. Following acquisition there will be further discussions and consultation regarding the CIA.

#### 4.12 Other Implications

4.13 None

### **5. ALTERNATIVE OPTIONS CONSIDERED**

5.1 The Council could decide not to acquire the property, this may result in the property continuing to be underutilised with limited future investment in its continued use or redevelopment.

### **6. REASONS FOR RECOMMENDATIONS**

6.1 The proposal set out within this report aims to assist in maintaining the regeneration momentum established by the Heart of the City II and FHSF projects.

Appendix 1 – Part 2 Report

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