



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

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**Report of:** Laraine Manley, Executive Director Place  
**Report to:** Olivia Blake Cabinet Member Finance  
**Date of Decision:** 10 January 2018  
**Subject:** Sale of Council Land at Graves Tennis and Leisure Centre Bochum Parkway, Sheffield

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input checked="" type="checkbox"/>	
- Affects 2 or more Wards	<input type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to?	<b>Finance</b>	
Which Scrutiny and Policy Development Committee does this relate to?	Economic and Environmental Wellbeing Scrutiny and Policy Development Committee	
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>		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" 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:-		
The report is not for publication because it contains exempt information under Paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended)."		

**Purpose of Report:**

To obtain approval to dispose of the subject land to St James Securities and that The Chief Property Officer is authorised to Instruct Legal to complete the necessary documentation to complete the transaction.

To obtain approval for St James Securities to Construct the car parking areas “A” and “B” on the plan below.

The report seeks agreement to :-

- 1) Sell an area of land at Graves Tennis and Leisure Centre upon which Car Parking was to be resurfaced at SCC expense.
- 2) Vary the lease to PfP to enable this sale to proceed
- 3) Permit replacement car parking on dis-used tennis courts elsewhere within PFP`s lease to be built at St James Securities` expense.

This re-arrangement of car parking will generate a capital receipt of £500,000 to SCC as St James Securities will develop out a further 4 x 1500 sq ft and 1x 1600 sq ft retail units on the land which they will acquire.

The offer represents very significant windfall capital receipt in its own right but will also enable the Council to avoid expenditure of £381,000 it would otherwise have to incur on building out the car park. The proposal will also ensure a more efficient use of Council land and bring dis-used tennis courts back into use.

See report.

**Recommendations:**

That approval is given to

- 1) Dispose of the subject land edged pink on Plan 1, to St James Securities and that The Chief Property Officer is authorised to Instruct Legal to complete the necessary documentation to achieve this.
- 2) Permit St James Securities to construct the replacement car parking on the areas edged blue on SCC land.

**Background Papers:**

None

<b>Lead Officer to complete:-</b>	
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: Paul Schofield
	Legal: David Sellars Equalities: N/A
<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>EMT member who approved submission:</b> Lorraine Manley
3	<b>Cabinet Member consulted:</b> Cllr Olivia Blake
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 Decision Maker by the EMT 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 Property Services
<b>Date: 27<sup>th</sup> November 2017</b>	

## **1. PROPOSAL**

The Council has been approached by St James Securities who are currently developing out a retail scheme immediately to the west of Graves Leisure Centre. St James Securities have identified an un-met demand for retail units of around 1,500 sq ft and that land used for car parking at Graves Leisure centre could accommodate several units which could be sited to face onto their car park and other units in their development.

The proposal is to sell the area of land edged pink on Plan 1  
The proposal is also to vary the lease to PfP to enable this sale to proceed and allow replacement car parking on the dis-used tennis courts edged blue "B" and a new car park to be built on the area edged blue "A", both to be built at St James Securities` expense. This re-arrangement of car parking will also generate a capital receipt of £500,000 to SCC as St James Securities will develop out a further 4 x 1500 sq ft and 1x 1600 sq ft retail units on the land which they will acquire.

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

A capital receipt of £500,000 will be added to, and a capital saving of £381,000 will be made from the Corporate Resource Pool without any reduction in the car parking facilities available at Graves Leisure Centre. The development of the retail units will also generate business rates of £40,000 pa plus a CIL payment of £42,360

## **3. HAS THERE BEEN ANY CONSULTATION?**

Consultation has taken place with Pulse Fitness and Places For People operators of the adjacent FA and Leisure Centre Facilities.

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

### **4.1 Equality of Opportunity Implications**

The proposal will also bring dis-used areas of Graves Leisure Centre back into use and make for a more efficient use of this Council Asset

#### 4.2 Financial and Commercial Implications

The offer for the site is £500,000 subject to planning and St James Securities completing replacement car parking. The subject land has little market value being located wholly within a Leisure Centre site with no separate access or road frontage. The offer from St James, which includes the £500,000 cash offer plus works to the car park, equates to an offer of £2,146,739 per acre which is over 2.5 times higher than the value achieved for the adjacent site and exceeds the values for many city centre sites. The purchaser, being the owner of adjacent land is considered to be a special purchaser and is best placed to offer the highest value for the Council's assets and the prices stated above are considered to be best price for the purposes of the Local Government Act.

The site has not been marketed because it is required for the Graves Leisure Centre and, but for the approach from St James, would have continued in this use.

#### 4.3 Legal Implications

- 4.3.1 The proposal is for the Council to agree a conditional lease variation with PFP which will then allow a freehold sale of the land identified on the attached sale plan to St James Securities subject to Planning Permission. The proposals as set out in this report represent best value For the purposes of the Local Government Act 1972.

#### 4.4 Other Implications

The proposal presents an opportunity to improve existing access road alignment and access widths within the Graves Leisure Centre.

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

It would be an option to do nothing and for SCC to continue to refurbish and build out the car park edged pink and edged blue "A" as shown on plan 1 at SCC's expense.

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

As stated above, the Head of Property Services is minded to approve the disposal of this land under her delegated powers subject to ICM approval to the private treaty sale.

# PLAN 1

