

BIRMINGHAM CITY COUNCIL

JOINT CABINET MEMBER AND CHIEF OFFICER

THURSDAY, 30 AUGUST 2018 AT 00:00 HOURS
IN CABINET MEMBERS OFFICE, COUNCIL HOUSE, VICTORIA
SQUARE, BIRMINGHAM, B1 1BB

A G E N D A

3 - 14

1 SURRENDER AND GRANT OF A NEW REGEARED LEASE OF LAND
AT 3-4 BISHOPSGATE STREET

Report of Assistant Director of Property (Interim)

P R I V A T E A G E N D A

2 SURRENDER AND GRANT OF A NEW REGEARED LEASE OF LAND
AT 3-4 BISHOPSGATE STREET (PRIVATE)

Item Description

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	Leader of the Council jointly with the Corporate Director, Economy
Report of:	Assistant Director of Property (Interim)
Date of Decision:	August 2018
SUBJECT:	Surrender and grant of a new regeared lease of land at 3-4 Bishopsgate Street
Key Decision: No	Relevant Forward Plan Ref: N/a
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/>
	O&S Chair approved <input type="checkbox"/>
Relevant Cabinet Member(s) or Relevant Executive Member:	Councillor Ian Ward – Leader of the Council
Relevant O&S Chair:	Cllr Tahir Ali – Economy and Skills O&S Committee
Wards affected:	Ladywood

1. Purpose of report:

- 1.1 To approve terms for the grant of a new long lease of Council land at 3-4 Bishopsgate Street (shown edged black on the plan in Appendix 1) to the Bishopsgate Street Company Ltd and the simultaneous surrender of an existing lease for the same land.
- 1.2 This will generate resources for the City Council and facilitate a development of 290 new residential apartments.
- 1.3 Commercially sensitive details relating to this proposed transaction are provided in the accompanying private report.

2. Decision(s) recommended:

The Leader of the Council, jointly with the Corporate Director, Economy :

Notes this report.

Lead Contact Officer: Christian Berry
Telephone number: 0121 303 3460
Email address: christian.berry@birmingham.gov.uk

3. Consultation

3.1 Internal

- 3.1.1 Both Ward Members for Ladywood have been consulted and are supportive of the report moving forward to an executive decision, as shown in the Consultation Report in Appendix 2 annexed to this report
- 3.1.2 Officers from City Finance, Legal and Governance and Birmingham Property Services have been involved in the preparation of this report.

3.2 External

- 3.2.1 There will be no external consultation for this transaction.

4. Compliance Issues:

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

- 4.1.1 The proposal contributes towards the Birmingham City Council Plan 2018-2022 priorities, including completing new homes and provision of appropriate housing to meet the needs of citizens.
- 4.1.2 It supports the Council Plan and Budget 2018+ by generating resources and thus helping to achieve a balanced budget.
- 4.1.3 This scheme will create jobs for the construction and the ongoing operational phases, meeting objectives set out in the Birmingham City Council Plan 2018-2022.

4.2 Financial Implications (How will decisions be carried out within existing finances and resources?)

- 4.2.1 The proposals will generate resources for the City Council. The values contained in the private report represent fair market prices according to an independent assessment of value and have been confirmed by the Assistant Director of Property (Interim) as providing best consideration.
- 4.2.2 The developer will pay all legal fees incurred by the City Council in connection with the transaction.

4.3 Legal Implications

- 4.3.1 The power to acquire, dispose and manage assets in land and property is contained in Sections 120 and 123 of the Local Government Act 1972. A market report by GVA, attached as an Appendix to the private version of this report demonstrates that obligations to achieve best consideration under Section 123 have been met.

4.4 Public Sector Equality Duty (see separate guidance note)

- 4.4.1 The surrender and renewal of these leases raises no equality issues, as referenced in EA report number EA002909 attached at Appendix 3 to this report.

5. Relevant background/chronology of key events:

- 5.1 The site was formerly occupied by the Nautical Club for use as a social club which was not, in the end, viable as a business and shut its doors in 2015. The lease was purchased by another party, who subsequently assigned to the developer involved in this transaction. The building was demolished in April 2018 with the consent of Birmingham City Council.
- 5.2 The new building will be part 10 and part 15 stories and will provide 290 high quality residential

apartments for the student market. The scheme was granted full planning consent in February 2018.

- 5.3 The existing lease is of 99 years duration and expires on 28th February 2072. Residential development on this site cannot proceed without the grant of this longer lease because the lease is too short to secure institutional funding. The new lease term is a proposed 125 years in duration.

6. Evaluation of alternative option(s):

6.1 Option 1 - Do nothing

- 6.1.1 This would mean that the development could not proceed and the Council would not realise the additional resources.

6.2 Option 2 – Sell the freehold

- 6.2.1 The freehold interest could be put to the market. The transaction amount for a freehold sale would not be much different to a long leasehold sale however, under freehold disposal the City Council would lose long term control of the site and could not elect to have an annual rent for the duration of the term.

7. Reasons for Decision(s):

- 7.1 The proposed transaction will facilitate a new residential development on this city centre site, facilitate regeneration and realise additional resources for the Council.

Signatures

Date

Councillor Ian Ward
Leader of the Council

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Waheed Nazir
Corporate Director, Economy

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List of Background Documents used to compile this Report:

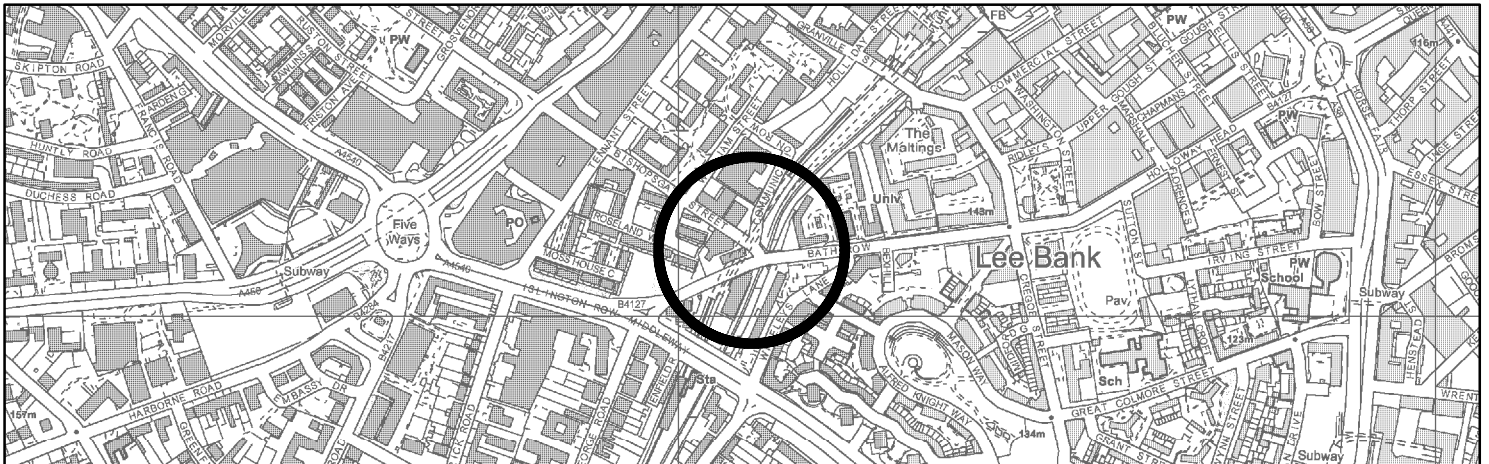
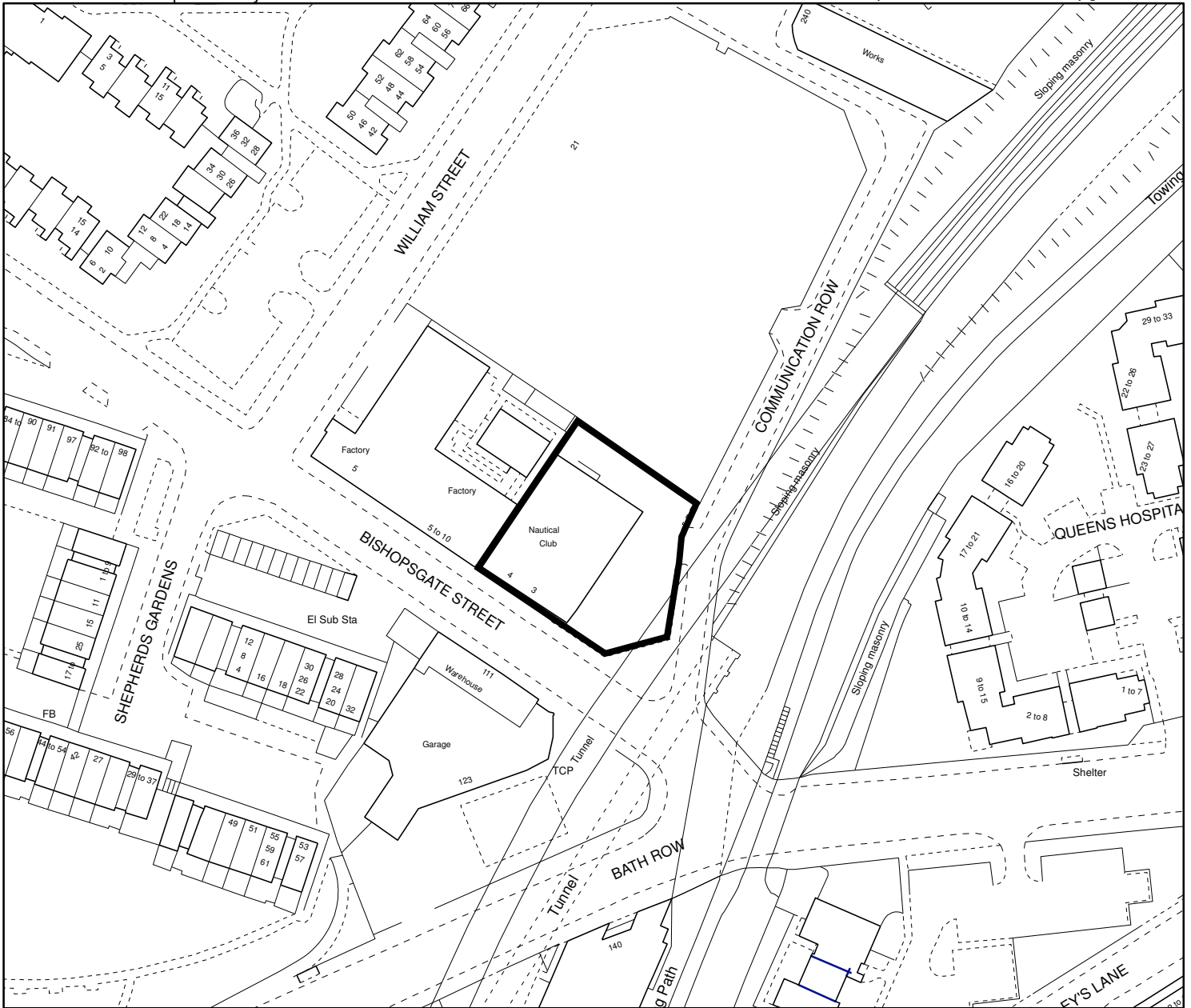
None

List of Appendices accompanying this Report (if any):

1. Site plan
2. Consultation Report
3. Equality Assessment

Report Version 5

Dated August 2018



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Birmingham
City Council

Waheed Nazir
Corporate Director, Economy
1 Lancaster Circus
Birmingham
B2 2GL

3-4 Bishopsgate Street
Ladywood



Scale (Main Map)

1:1,250

Drawn

Bharat Patel

Date

01/05/2018

Surrender and grant of a new regeared lease of land at the Nautical Club (August 2018)
Consultation Record

PROPERTY ADDRESS	WARD	CONSULTATION	COUNCILLOR RESPONSE
3-4 Bishopsgate Street	Ladywood	tbc	Councillor Sir Albert Bore – agreed 21 st August 2018
3-4 Bishopsgate Street	Ladywood	tbc	Councillor Kathy Hartley – no comment received as Kath is out of circulation during the consultation period

Equality Analysis

Birmingham City Council Analysis Report

EA Name	Surrender And Grant Of A New Regeared Lease Of Land At 3-4 Bishopsgate Street
Directorate	Economy
Service Area	Economy - Birmingham Property Services
Type	New/Proposed Function
EA Summary	To approve the surrender and regrant of a long lease to facilitate residential development for 214 new City Centre apartments.
Reference Number	EA002909
Task Group Manager	felicia.saunders@birmingham.gov.uk
Task Group Member	
Date Approved	2018-07-23 00:00:00 +0100
Senior Officer	eden.ottley@birmingham.gov.uk
Quality Control Officer	eden.ottley@birmingham.gov.uk

Introduction

The report records the information that has been submitted for this equality analysis in the following format.

Initial Assessment

This section identifies the purpose of the Policy and which types of individual it affects. It also identifies which equality strands are affected by either a positive or negative differential impact.

Relevant Protected Characteristics

For each of the identified relevant protected characteristics there are three sections which will have been completed.

- Impact
- Consultation
- Additional Work

If the assessment has raised any issues to be addressed there will also be an action planning section.

The following pages record the answers to the assessment questions with optional comments included by the assessor to clarify or explain any of the answers given or relevant issues.

1 Activity Type

The activity has been identified as a New/Proposed Function.

2 Initial Assessment

2.1 Purpose and Link to Strategic Themes

What is the purpose of this Function and expected outcomes?

Extending the length of the lease will generate additional financial resources for the City Council.

It will also facilitate regeneration of the site and creation of 214 new residential apartments.

For each strategy, please decide whether it is going to be significantly aided by the Function.

Children: A Safe And Secure City In Which To Learn And Grow	No
Health: Helping People Become More Physically Active And Well	No
Housing : To Meet The Needs Of All Current And Future Citizens	Yes
Jobs And Skills: For An Enterprising, Innovative And Green City	Yes

2.2 Individuals affected by the policy

Will the policy have an impact on service users/stakeholders?	No
Will the policy have an impact on employees?	No
Will the policy have an impact on wider community?	No

2.3 Relevance Test

Protected Characteristics	Relevant	Full Assessment Required
Age	Not Relevant	No
Disability	Not Relevant	No
Gender	Not Relevant	No
Gender Reassignment	Not Relevant	No
Marriage Civil Partnership	Not Relevant	No
Pregnancy And Maternity	Not Relevant	No
Race	Not Relevant	No
Religion or Belief	Not Relevant	No
Sexual Orientation	Not Relevant	No

2.4 Analysis on Initial Assessment

This scheme will create jobs for the construction phase and also for the ongoing operational phase for management of the building, in line with Vision and Forward Plan priorities to create jobs for the city.

This will generate resources for the Council and facilitate a development providing 214 residential apartments in a new building of 15 stories in height.

There have been no negative equality impact identified as part of this development proposal.

3 Full Assessment

The assessment questions below are completed for all characteristics identified for full assessment in the initial assessment phase.

3.1 Concluding Statement on Full Assessment

Both Ward Members for Ladywood have been consulted and are supportive of the report moving forward to an executive decision.

Officers from City Finance, Legal and Governance and Birmingham Property Services have been involved in the preparation of this report.

The new building will be part 10 and part 15 stories, to provide 290 residential apartments. The scheme was granted full planning consent in February 2018.

This scheme will create jobs for the construction phase and also for the ongoing operational phase for management of the building, in line with Vision and Forward Plan priorities to create jobs for the city.

There has been ongoing consultation with members of their respective constituency, who have as representation been consulted on issues of relevance.

There have been no issues raised which impact the wider community negatively, therefore a full equality assessment is not required at this stage.

4 Review Date

27/12/18

5 Action Plan

There are no relevant issues, so no action plans are currently required.

