

REPORT OF Planning & Economy Manager

To: Community and Resources Committee

Subject: Covenant for the Hotel Site, Westward Ho!

Date: 26 August 2020

Reference: PART 1

PURPOSE OF REPORT:

To present to Members the opportunity to receive a Capital Receipt, which would be generated by releasing the restrictive covenant on the property, known as the Hotel Site on the Village Green in Westward Ho.

This report is presented following repeated requests from the landowner for this proposal to be openly considered in Part 1 by The Community and Resources Committee.

1.0 Introduction

Members will be aware that a report was presented to the Community and Resources Committee in January 2020 in respect of a request by the site owner to vary the existing covenant and future use of the site off Golf Links Road, Westward Ho! This request was not accepted.

Officers have subsequently been presented with a further request to remove the covenant in consideration for a capital receipt to reflect the uplift in the value of the site associated with the removal of the covenant.

This report sets out the brief background to the current situation and the uplift in value associated with the removal of the existing Covenant.

2.0 Report Considerations

To summarise the position outlined in the report presented in January 2020;

In summary the subject site was disposed of to a party with a related interest for a fixed sum based on the development of the site for a five storey commercial building, restricted for Hotel, Restaurant, Retail and Tourism associated uses, but excluding holiday apartments.

The site owner had been in contact with officers requesting consideration be given to the removal of the restrictions from the Title. Members voted not to vary the Covenant at the C&R Meeting in January 2020.

The landowner has now submitted a further offer and is requesting consent for the covenants to be released with the making of a payment to the Council. This is in lieu of financial compensation for the uplift in value of the site with the covenant removed.

The landowner has offered the Council £120,000.00 (One Hundred and Twenty Thousand Pounds) to release the covenants fully.

This party requests this proposal is submitted in Part 1 of this report to the Community and Resources Committee.

The Property Team have obtained an independent valuation to enable officers to report to members on the likely level of the payment the council should expect, as a result of the uplift in value of the land through the release or removal of the covenants. The valuation exercise was undertaken on the basis that the highest valuation of the site would be that for a residential development use.

The offer made by the landowner to release the covenants is in line with the valuation advice received.

Since the previous report in January, the landowner has obtained planning permission to use the subject area as Open Space for A4 use, and has let the area to a local business (1/0024/2020/Full Operational Development for 5 years).

Members should be aware that this use (A4) is in contravention of the existing covenants on the site, and without further action by the Council, this continued operational use could invalidate those existing restrictive covenants.

3.0 Summary

Members are to consider whether they would accept a capital receipt for the release of the restrictions on the land, for a financial contribution by the landowner at a minimum premium payment of £120,000.00, exclusive of costs.

4.0 Recommendation

That Members decide whether to remove the restrictive covenants in return for a capital receipt of £120,000.00 (One Hundred and Twenty Thousand Pounds) exclusive of all other costs.

5.0 Implications

Legal Implications

The Preparation of a Deed of Variation to release the restrictive covenant.

Financial Implications

A capital receipt to The Council

Human Resources Implications

Continued input from Property and Legal Team if the site owner persists with ongoing requests to change the use of the site.

Sustainability/Biodiversity Implications

N/A

Equality/Diversity

N/A

Risk Management

N/A

Compliance with Policies and Strategies

N/A

Data Protection (GDPR) Implications

N/A

Ward Member and Lead Member

Verbal Consultation with Councillor Laws and Councillor Hodson.
Councillor Hodson requested it be noted that if the covenant is removed there is no constraints in terms of what can be applied for in terms of planning.

Officers Consulted

Senior Management Team

Property and Procurement Manager.

Contact Officer - Helen Bond, Estates Manager