

## Officer Non Key Executive Decision

<b>Relevant Chief Officer (Decision Maker):</b>	Alan Cavill, Director of Communications and Regeneration
<b>Relevant Cabinet Member (for consultation purposes):</b>	Councillor Lynn Williams, Leader of the Council
<b>Report Author (Officer name and title):</b>	Ian Morris-Illiffe, Head of Programme Management
<b>Implementation Date of Decision:</b>	9 March 2023

### ACQUISITION OF THE LONG LEASEHOLD INTERESTS IN 13-17,19,21 and 31 CENTRAL DRIVE, BLACKPOOL

#### 1.0 Purpose of the report:

- 1.1 To authorise the acquisition of the long leasehold interests in 13-17, 19, 21 and 31 Central Drive, Blackpool.

#### 2.0 Recommendation(s):

- 2.1 To approve the acquisition of the long leasehold interests in 13-17, 19, 21 and 31 Central Drive, Blackpool.
- 2.2 To delegate authority to the Head of Legal to enter into any proposed legal agreements relating to and flowing from the acquisition of the long leasehold interests noted at 2.1.

#### 3.0 Reasons for recommendation(s):

- 3.1 In order to secure the delivery of Blackpool Central development the Council has an obligation within the Land Sale Agreement (signed January 2020) to provide vacant possession of the site to the Developer. The Council own the freehold title of assets on the site with a small number of leasehold interests with third parties, predominantly contained within the King Edwards building along Central Drive.

When the acquisition of the long leasehold interests are completed the Council will have outright ownership and vacant possession of 13-17, 19, 21 and 31 Central Drive.

- 3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered: None

#### **4.0 Council Priority:**

4.1 The relevant Council Priority is

- "The Economy: Maximising growth and opportunity across Blackpool"

#### **5.0 Background Information**

5.1 Blackpool Council has entered into a Land Sale Agreement with Developer Nikal Limited for the delivery of a large scale leisure-led regeneration scheme 'Blackpool Central'.

Under the terms of the Land Sale Agreement the Council are required to provide the Developer with vacant possession of the land to enable and facilitate the delivery of the development.

In July 2021 the Council proceeded to make an application for confirmation of a Compulsory Purchase Order to secure the compulsory purchase of the remaining interests on the site, as approved in Executive Decision EX4/2021. The owners of the long leasehold interests in 13-17, 19, 21 and 31 Central Drive were the only remaining objectors to the CPO application. Following submission of written representations the Planning Inspectorate, the Secretary of State concluded in his decision on 30<sup>th</sup> September 2022, that Blackpool Borough Council (Blackpool Central No 1) Compulsory Purchase Order 2021 be confirmed subject to the modification relating to 31 Central Drive being made, as requested by the Council which related to notice of Making of the Order and the Statement of Reasons.

In parallel with the application for compulsory purchase, the council are continuing to negotiate with existing occupants on the site in effort to negotiate and acquire all remaining interests.

13-17, 19, 21 and 31 Central Drive are currently held on four long leasehold interests from the Council who own the freehold interest in each case. The Council have negotiated with agents acting on behalf of the long leaseholder of the four interests to acquire the long leasehold interests and terms have been agreed (see Appendix 1)

5.7 Does the information submitted include any exempt information? Yes

**6.0 Legal considerations:**

6.1 The acquisition will be under section 227 Town and Country Planning Act 1990 ("the 1990 Act") for the purpose of facilitating the carrying out of development, redevelopment or improvement on or in relation to that Property.

The Council in acquiring the Property under section 227 of the 1990 will trigger the operation of powers under section 203 of the Housing and Planning Act 2016 ("the 2016 Act") for planning purposes to facilitate the carrying out of redevelopment

When the acquisition of the long leasehold interests are completed the Council will have outright ownership and vacant possession of 13-17, 19, 21, and 31 Central Drive. It is anticipated that ownership and vacant possession of all legal interests within the development site will be effected by October 2023 to allow handover to the developer.

**7.0 Human Resources considerations:**

7.1 None as a consequence of this report.

**8.0 Equalities considerations:**

8.1 None as a consequence of this report.

**9.0 Financial considerations:**

9.1 Executive Decision EX22/2019 provided approval on a resources model to support the delivery of the Council's obligations with respect to Blackpool Central, including the acquisition of remaining interests.

Following protracted negotiations with the long leaseholder's agent, provisional agreement has been reached to settle the claim. An all-inclusive figure has been agreed based on acquisition of the properties and to include total extinguishment of the business, exclusive of VAT. Appendix A provides a breakdown of the costs which have been agreed.

**10.0 Risk management considerations:**

10.1 The completion of this acquisition is essential to the delivery of Blackpool Central, allowing the council to offer vacant possession of the site to the Developer.

**11.0 Ethical considerations:**

11.1 None

**12.0 Internal/ External Consultation undertaken:**

12.1 Discussions at the Growth and Prosperity Board, together with consultation with the Council's Finance and Legal Departments.

**13.0 Decision of Chief Officer**

13.1 To approve the acquisition of the long leasehold interests in 13-17, 19, 21 and 31 Central Drive, Blackpool.

13.2 To delegate authority to the Head of Legal to enter into any proposed legal agreements relating to and flowing from the acquisition of the long leasehold interests in 13-17, 19, 21 and 31 Central Drive, Blackpool.

**14.0 Reasons for the Decision of the Chief Officer**

14.1 In order to secure the delivery of Blackpool Central development the Council has an obligation within the Land Sale Agreement (signed January 2020) to provide vacant possession of the site to the Developer. The Council own the freehold title of assets on the site with a small number of leasehold interests with third parties, predominantly contained within the King Edwards building along Central Drive.

The acquisition of these long leasehold interests will allow vacant possession to be obtained.

**List of Appendices:**

Appendix 1 Agreed Heads of Terms for the acquisition of 13-17, 19, 21 and 31 Central Drive, Blackpool. (Confidential)