

**REPORT FROM: STRATEGIC DIRECTOR**

**TO: EXECUTIVE**

**DATE: 8<sup>th</sup> December 2016**

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**GOITSIDE CAR PARK, SCOTLAND ROAD, NELSON  
(AND ADJOINING LAND)**

**PURPOSE OF REPORT**

The purpose of the report is to seek the approval of the Executive Committee to declare surplus the site of Goitside Car Park on Scotland Road, Nelson (shown edged red on the plan) for the purposes of the redevelopment of the whole site (adjoining land -shown edged green).

**RECOMMENDATIONS**

- (1) That the Goitside Car Park on Scotland Road, Nelson as shown edged red on the plan at Appendix A is declared surplus.
- (2) That the Executive Committee approves the determination of the Car Park Agreement for a £50,000 consideration.
- (3) That the Borough Council of Pendle enters in to a 250 year Lease with the Supermarket for use of the site for a Car Park (subject to Planning) at the £100,000 premium offered. That the Strategic Director be authorised to agree all other terms of the transaction.

**REASON FOR RECOMMENDATIONS**

The site has been underused for a number of years, the Car Park has limited use whilst the adjoining Tesco store has been closed since 2010. A Supermarket chain has undertaken a search of sites in the area and has identified the whole site as suitable for one of their stores.

**ISSUE**

- 1 The whole site (see attached plan) contains the Council owned Car Park shown edged Red (4845m<sup>2</sup>. 1.20 acres approx.) and the privately owned site of the empty Tesco store shown edged Green (4085m<sup>2</sup> 1.05 acres approx). Tesco hold the store building for the residue of a term of 35 years from 20<sup>th</sup> January 1986 from their landlord Shirestates Limited, with the benefit of an Agreement dated 20<sup>th</sup> January 1986 made between The Borough Council of

- Pendle (1) J.A. and M.A. Carter Investments Limited (2) and Gateway Foodmarkets Limited (3) which relates to use of Goitside Car Park.
- 2 Under the terms of the Agreement the Council receives an annual payment, based on a multiplier (5 x) of the rates payable. For the duration of the Agreement the Council is committed to pay the rates, maintain and keep Goitside Car Park available for short term shoppers parking of private motor vehicles. Tesco do not have exclusive use of the Car Park.
  - 3 After carrying out a site search in the area the Supermarket has identified this as a possible site for a new store. The site is complicated in that there are four parties with interests in the whole site, Shirestates Limited Freeholder of the site, Tesco, the Supermarket and the Council. To establish whether a scheme is possible, the Agent for the Supermarket Chain undertook discussions with Shirestates and Tesco to see if there was a desire to progress transactions that would allow for the future development of the site. Under the terms of the Lease (ends 20th January 2021) from Shirestates, Tesco are responsible for the rental of the building and the Supermarket are looking to purchase the Freehold. Discussions have continued between the other three parties and provisional agreement has been reached. Before progressing the matter further the Supermarket needs to confirm that the Council would also wish for such a scheme to go ahead.
  - 4 Some years ago, Tesco determined that the store was not viable but remain responsible under the lease to pay the rent and will be required to do so until the end of the lease. They also incur a number of costs – rent, rates, maintenance of the building, Car Park fee; they will also be responsible for dilapidations to the building. Shirestates could continue to benefit from the Lease with Tesco for the next four years but would then be left with a site/building for which there has been little interest. The Supermarket has provided an alternative to this and following discussions have proposed a purchase of Shirestates Freehold interest if Shirestates accept a surrender of the Tesco lease to provide the Supermarket with vacant possession. Shirestates have provisionally agreed a settlement figure with Tesco and the Supermarket has provisionally agreed a purchase figure for the Freehold with Shirestates.
  - 5 The Supermarket has now approached the Council to try to resolve the issues with the Car Park. There is an existing Agreement that only the Council can determine for the use of the Car Park in connection with the existing store, however this Agreement is not suitable for the Supermarket to finance a 'New Build' store and they require a minimum 250 year leasehold interest. The Supermarket has made an offer of £100,000 for a leasehold interest from the Council for the Car Park site and Shirestates have offered £50,000 for the determination of the Agreement on the Car Park site. Following negotiation, the Agent for the Supermarket has stated that the figure they have offered cannot be improved and that further negotiation could cause the whole scheme to abort.
  - 6 To meet deadlines/dates contained in the existing Lease to Tesco a date of 23<sup>rd</sup> June 2017 (quarter date) has been set for the all-party transaction to take place (it should be noted that all of the above is subject to the Supermarket obtaining Planning Permission for the proposed 'New Build' store and Car Parking).
  - 7 The Supermarket has advised that they would be looking to run the Car Park as they do in other Town Centre locations, allowing short stay parking for all users. If the disposal is approved then the disposal terms would need to protect the future use of the Car Park if similar circumstances (closure of the store) occurred in the future.
  - 8 Finally, it should be noted that, though the Car Park is managed by the Borough of Pendle (BoP) there are some missing interests which have been identified as being held by Lancashire County Council (LCC). LCC have been contacted to request that they are transferred to BoP and it is understood that the request is being progressed.

## **IMPLICATIONS**

**Policy:** There are no new policy implications arising directly from the contents of this report.

**Financial:** The Leasehold disposal of the land will assist in a capital receipt for the Council and an end of all liabilities for its duration. On completion of the disposal the Council will no longer receive the rent income from Tesco which is currently c£60k per annum. This income has already been removed from the medium-term financial plan from 2017/18 given its potential uncertainty. Subject to agreement by Councillors this position will be mirrored in the budget for 2017/18 which is currently being developed.

**Legal:** No legal implications are considered to arise other than as stated in the report

**Risk Management:** The Leasehold disposal of the Car Park may have an impact on the Councils Car Parks strategy.

**Health and Safety:** No implications are considered to arise directly from this report.

**Sustainability:** No implications are considered to arise directly from this report.

**Community Safety:** See risk management

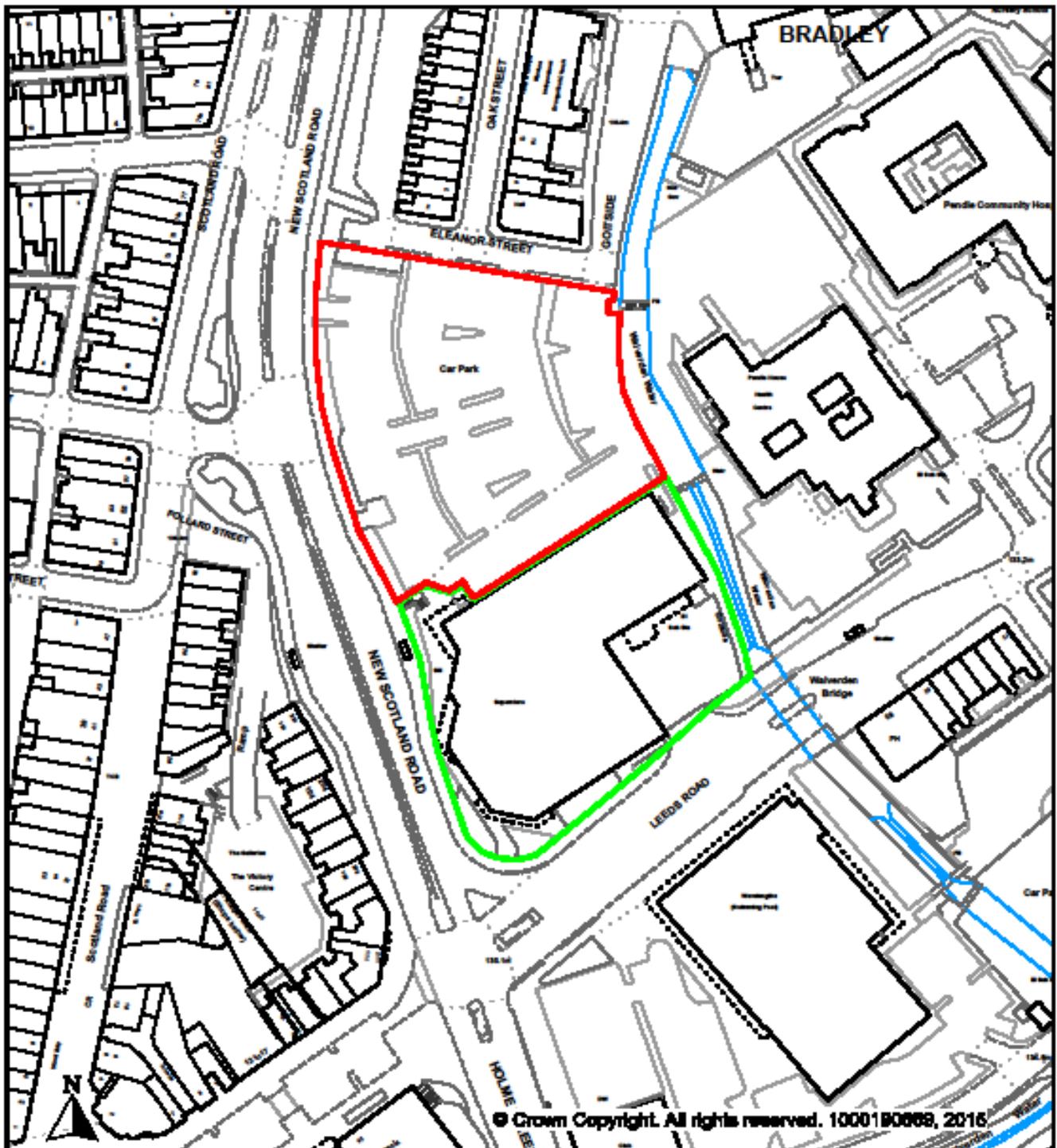
**Equality and Diversity:** No implications are considered to arise directly from this report.

## **APPENDIX A**

Location plan

## **LIST OF BACKGROUND PAPERS**

None



Description	
<b>GOITSIDE CAR PARK, NELSON</b>	
Area edged red approx. 4845 m <sup>2</sup> (1.20 acs.)	
Area edged green approx. 4253m <sup>2</sup> (1.05 acs.)	
Scale	Drawing No.
1:1250	NE/GT/1
Drawn By	Date
L.G.	NOV. 2016
CAD Reference	

**Borough of**



**Pendle**

In partnership with **Liberata**

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