

REPORT FROM: CHIEF EXECUTIVE

TO: POLICY AND RESOURCES COMMITTEE

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THE SUTTON BUILDING, NETHERFIELD ROAD, NELSON

PURPOSE OF REPORT

For Members to grant a request to relax the restrictive covenant for the land edged black on the plan.

RECOMMENDATIONS

1. That the Policy and Resources Committee is recommended to approve the relaxation of a restrictive covenant.
2. If the relaxation of the covenant is approved that this Committee be requested to determine if a premium should be payable by the owner and that the Chief Executive be approved to negotiate terms.

REASON FOR RECOMMENDATIONS

The relaxation of the restrictive covenant would allow a property which has been vacant for 2 years to be developed and will provide regeneration to an area where there are a number of vacant offices. It may also result in the Council receiving a premium for the benefit to the building owner in relaxing the covenant.

BACKGROUND

1. The land edged black on the plan was sold from the Council to Pendle Training in February 1997 at £58,880. The sale was subject to a restrictive covenant that the land be used for the development of an industrial training establishment with associated car parking and landscaping or for offices and light industrial processes within classes A2 (Financial and professional services), B1 (Business) and B2. The Innovation Centre and The Sutton Building with car parking were built on the land.
2. The Innovation Centre was sold in 2015 and the Sutton Building, which was formerly occupied by Training 2000, has been on the market for 2 years. The asking price for The Sutton Building has been significantly reduced and it is currently being advertised at a guide price of £600,000. An offer has been accepted below this figure and the intended use is A3 (Restaurants and

cafes) and A5 (Hot food takeaways) with one of the proposed occupiers being a national chain.

3. The owner, UCLAN has asked for the Council to relax the covenant to allow the aforementioned use which would also require planning consent for change of use. The proposed use is considered to be more valuable to the owner than the use permitted by the restrictive covenant and a premium would usually be negotiated to reflect the additional value achievable by the relaxation. This has been assessed by Liberata Property Services to be in the order of £50,000.
4. The sale and redevelopment cannot proceed without the covenant being relaxed, and the owner advises that having to pay a premium would result in a further loss on their asset value and put the sale and redevelopment at risk.

ISSUE

5. The property is vacant and the relaxation of the restrictive covenant would allow redevelopment which will provide regeneration to an area where there are a number of vacant offices.
6. This Committee is asked if it wishes to demand a premium for the Councils consent to relax the covenant in this instance.

IMPLICATIONS

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

Financial: If so demanded by this Committee the Council may receive a premium. The Committee can, however, decide to waive the payment of a premium in the interests of supporting the redevelopment of the site.

Legal: No legal implications are considered to arise directly from this report.

Risk Management: No implications are considered to arise directly from this report

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

Climate Change: No implications are considered to arise directly from this report

Community Safety: Disposal of this property would remove the risks of vandalism and would bring a vacant property into use.

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

APPENDICES

Location plan

LIST OF BACKGROUND PAPERS

None