

REPORT FROM: CHIEF EXECUTIVE
TO: SPECIAL BUDGET POLICY AND RESOURCES COMMITTEE
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17 MANCHESTER ROAD, NELSON

PURPOSE OF REPORT

To consider a request to purchase the freehold or to extend the lease term of the land edged black on the plan.

RECOMMENDATION

That the Policy and Resources Committee is recommended to refuse the request to purchase the freehold, but to approve the request to extend the lease with a premium to be negotiated by the Chief Executive.

REASONS FOR RECOMMENDATION

A decision to dispose of the freehold would take away control from the Council and may affect future Town Centre redevelopment. An extension of the lease would allow the Council to maintain some control and a premium would be received.

The majority of other Council owned sites of commercial premises are occupied on leases no longer than 125 years, and for this reason the recommendation is for the remaining 46 year term of the lease to be extended by 79 years with payment of a premium to be negotiated.

BACKGROUND

1. 17 Manchester Road forms part of a larger freehold site owned by the Council which also includes No's 15, 19 and 21 Manchester Road. It is subject to an 87 year lease to RHW Properties from 21st November 1978 for which a premium of £12,000 was paid and at a fixed rent of £5 per annum, and the lease allowed construction of a retail shop and offices. The lease has recently been varied to allow two residential flats to the first floor of the building and Planning Permission has been granted.
2. The lessee has submitted a formal request to purchase the Councils freehold, or if this is refused for the lease to be extended to a 125 year term. This has been requested by the lessee as he says the remaining term of the lease would make it difficult for him to sell on the building in the future.

ISSUES

3. Disposal of part of the freehold site would reduce the Council's interest in the Town Centre and could affect any future development, and for these reasons the recommendation is to refuse the request to buy the freehold.
4. The Council's freehold title is divided into four interests and leases ranging from 86 to 88 years have been granted for the sites of No's 15, 17, 19 and 21 Manchester Road to expire at the same time. An extension of the lease term could cause a problem if the area was redeveloped in the future as No.17 would have a number of years remaining on the lease, but unless there are any intentions to redevelop then the extension may result in long term occupation of a Town Centre property.

IMPLICATIONS

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

Financial: A premium would be received from the extension of the lease.

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: No implications are considered to arise directly from this report

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

APPENDICES

Location plan

LIST OF BACKGROUND PAPERS

None