

REPORT FROM: CHIEF EXECUTIVE

TO: POLICY AND RESOURCES COMMITTEE

DATE: 24th JUNE 2021

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LAND AT NETHERFIELD ROAD, NELSON

PURPOSE OF REPORT

To report a request from the tenant of the land edged black that it be declared surplus in order to exercise an option to buy in the lease.

RECOMMENDATION

That this Committee refuses the request to declare the land surplus to requirements.

REASON FOR RECOMMENDATION

This Committee is recommended to refuse the request for the following reasons.

The land brings in an annual rental income of £8,300 for the Council increasing to £8,800 from 1st August 2021. If the land is declared surplus to requirements and a sale is agreed the Council would receive a capital receipt, but it would forego a rental income.

Disposal of the land which is in a prominent main road position on the edge of the Town Centre would take away control from the Council and could affect any future redevelopment of its adjoining land.

In addition to the above if the land is sold there is a risk of this setting a precedent for other tenants coming forward requesting an option to buy in other leases granted by the council.

BACKGROUND

1. The land is occupied by a Mr D Khan on a 6 year lease from 17th February 2017 at an annual rent of £8,300 for use as a car wash, valeting centre and car sales pitch.
2. Further to a request from the tenant The Councils Policy and Resources Committee resolved on 28th October 2020 that there be a clause in the lease allowing the tenant first option to buy the land at market value in the event of the land being declared surplus to requirements.

3. The clause allowing the tenant the first option to purchase was documented on 9th February 2021, and it stated that in the event of the land being surplus by a resolution of the Council the tenant will have the first option to purchase the freehold interest of the land at open market value and be given 28 days to exercise the option. In addition the clause states that if the tenant does not exercise the option within this period the Council is free to advertise the land for sale on the open market.

ISSUE

4. If the land is declared surplus and a sale is negotiated to the tenant a capital receipt would be received, but there would be a loss of rental income and it would take away control from the Council of a site in a prominent position which could affect redevelopment

IMPLICATIONS

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

Financial: A sale of the land would result in a capital receipt, but a loss of rental income for the Council.

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