

REPORT FROM: CORPORATE DIRECTOR

TO: NELSON, BRIERFIELD AND REEDLEY COMMITTEE

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CAR PARK AT RAILWAY STREET, NELSON

PURPOSE OF REPORT

To update Members further to a previous resolution by this Committee.

RECOMMENDATION

That Members note the position and agree not to declare the land surplus to requirements.

REASONS FOR RECOMMENDATION

- (1) The resolution of Nelson Committee on 7th September 2019 was that the Chief Executive be delegated authority to negotiate with the tenant a cost to purchase the land and that a report on the outcome of negotiations be submitted to a future meeting.
- (2) The land is occupied under a lease for car parking use and the tenant has an option to purchase the Freehold which has been exercised, but the amount negotiated by the Chief Executive is considered to reflect the value if the land was disposed of on a 125 year lease. In addition disposal of the land would take away control from the Council and could affect any future redevelopment of its adjoining land.

BACKGROUND

1. On 5th May 2017 the Executive resolved that a request by the proposed tenant for a clause to be included in his lease allowing the first option to purchase the Freehold of the land if it was declared surplus to requirements by the Council in future be agreed. This was following a resolution from the Area Committee.
2. A 3 year lease from 10th April 2018 was granted to Mr M.Iqbal for use as parking by him and the tenants' of the adjoining commercial units at an annual rent of £1250. In accordance with the lease if the land was declared surplus to requirements by a resolution of the Council the tenant was to be given the first option to purchase the Freehold of the land for car parking use only at open market value.

3. Further to a number of requests by the tenant for the land to be declared surplus to requirements it was referred to Nelson Committee on 7th October 2019 with the recommendation that the request be refused, but the resolution was that the Chief Executive be delegated authority to negotiate with the tenant a cost to purchase the land and if there was a positive outcome a report would be submitted to a future Committee.
4. The tenant submitted an offer of £18,000 which is considered to reflect the market value for car parking use if the land was disposed of on a 125 year lease. This was reported to this Committee on 6th September 2021 with the recommendation that Members agreed for the land not to be declared surplus to requirements. The resolution was that the item be deferred for 3 months to allow time for the tenant to tidy the land.
5. Since the last Committee resolution Liberata Property Services have inspected the site on a regular basis. When the land has been visited it has been in a tidy condition and there have been no unroadworthy vehicles on the land. The chairman of this Committee has asked for the request to purchase to be referred back to this meeting.

ISSUES

6. The tenant has an option in the lease to buy the freehold of the land at market value if the land is declared surplus. The land has not been declared surplus and a price has been negotiated, but it is considered to reflect the value of a long leasehold interest and the value of the freehold interest would be considerably higher.
7. The land is next to a larger area of Council owned land and adjoining a back street which is a route between Railway Street and Brunswick Street. If there are any future proposals by the Council to redevelop the adjoining area a sale of the land could affect any such development.
8. There have previously been issues with unroadworthy vehicles being stored on the land and in accordance with the lease this is not permitted, and the tenant is also maintain the land in good condition. If the land was disposed of on a 125 year lease the Council would have some control over such issues, but if the freehold interest was sold the Council lose all control.

IMPLICATIONS

Policy: The Council seeks to identify surplus property for inclusion in its disposal programme in order to achieve capital receipts.

Financial: If the land is declared surplus and sold it will result in a capital receipt for the Council.

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

Risk Management: If the land is declared surplus and sold there will be an end to all risks and liabilities for the Council.

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: See risk management.

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

APPENDICES

Location plan

LIST OF BACKGROUND PAPERS

None