

A separate report is submitted in the private part of the agenda in respect of this item, as it contains details of financial information required to be kept private in accordance with Schedule 12A of the Local Government Act 1972. The grounds for privacy are that it refers to the identity, financial and business affairs of an organisation and the amount of expenditure proposed to be incurred by the Council under a particular contract for the supply of goods or services.

Cabinet Member (Business, Enterprise and Employment)

24th June 2013

Name of Cabinet Member:

Cabinet Member (Business, Enterprise and Employment) – Councillor Kelly

Director Approving Submission of the report:

Director of City Services & Development

Ward(s) affected:

Henley

Title:

Site at Aldermans Green Industrial Estate

Is this a key decision?

No

Executive Summary:

This report seeks approval to the disposal of a long leasehold interest in land at Aldermans Green Industrial Estate. The land, edged red on the attached plan, comprises some 0.33 acres (0.133 hectares) ("the site").

The proposed purchaser is looking to expand its business in Coventry. The Site would make it possible for the company to develop the Site for its own use and occupation or for sub-letting.

The provisionally agreed terms are on the basis that the lease premium will be payable immediately upon the grant of the lease and subject to the prospective purchaser having satisfied it self as to the load bearing capacity of the Site.

Recommendations:

Cabinet Member is recommended to (subject to consideration of the private report) approve the grant of the long leasehold interest to the prospective purchaser in consideration of the lease premium on the terms set out in this report.

List of Appendices included:

Site plan showing the location of the property for information.

Other useful background papers:

None

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title:Site at Aldermans Green Industrial Estate

1. Context (or background)

- 1.1 The site is 0.33 acres (0.133 hectares) and is the last undeveloped site on the estate and is shown edged red on the plan attached to this report ("the Site"). The Site has been marketed by external agents for some 5 years on the basis of the grant of a 125 year lease at a peppercorn rent.
- 1.2 The prospective purchaser has plans to expand its business and the Site gives it the opportunity of fulfilling these plans in Coventry.
- 1.3 The Council's officers are satisfied that the lease premium to be paid represents the best price that can be reasonably obtained in the open market for the interest in the Site therefore satisfying the Council's obligation under Section 123 of the Local Government Act 1972. This view is supported by the Council's external consultant agent.
- 1.4 The offer is subject to the prospective purchaser being satisfied as to the load bearing capacity of the Site.

2. Options considered and recommended proposal

- 2.1 The offer to grant a long leasehold interest in the Site can be rejected. This is not recommended as it would result in the loss of the agreed lease premium.
- 2.2 The offer to grant a long leasehold interest in the Site can be accepted. This is the recommended course of action as it brings a valuable capital receipt to the City Council. It also provides an additional industrial building to add to job creation and growth within the city.

3. Results of consultation undertaken

- 3.1 None has been undertaken as consultation is not appropriate in this case.

4. Timetable for implementing this decision

- 4.1 The offer to take a long leasehold interest is conditional on the proposed purchaser being satisfied as to the load bearing capacity of the site.

5. Comments from Director of Finance and Legal Services

- 5.1 Financial implications –. The premium will contribute towards the corporate capital receipts target for 2013/14 depending on when the lease is completed.
- 5.2 Legal implications – Officers within Finance & Legal Services Directorate will prepare and complete legal documentation for the long leasehold disposal and will collect the payment of the agreed lease premium.
- 5.3 The Council's officers have confirmed that the agreed lease premium satisfies the Council's obligation to obtain the best consideration reasonably obtainable under the provisions of Section 123 of the Local Government Act 1972. This view is supported by the Council's external consultant agent.

6. Other implications

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / Local Area Agreement (or Coventry Sustainable Community Strategy)?

- The capital receipt will contribute towards corporate capital receipts target
- Improve skills and employment opportunities and support Coventry's businesses to develop, grow and to be more sustainable

6.2 How is risk being managed?

The Council's officers will ensure that all documentation required for the transaction will be in place to enable the completion of the lease at the earliest opportunity.

6.3 What is the impact on the organisation?

The impact on the organisation will be minimal. It will generate additional work for City Services & Development (Commercial Property Management & Planning) and Finance & Legal Services Directorate in processing the provisionally agreed terms for grant of the long leasehold interest to completion and the proposed planning application.

6.4 Equalities / EIA Implications for (or impact on) the environment

The proposal concerns the disposal by the Council of a long leasehold interest in land for development by a private organisation and there is therefore no requirement for an Equality Impact Assessment

6.5 Implications for (or impact on) the environment

The planning application process will enable the Council to closely control the impact of the development of the Site and any environmental impact that this may involve.

6.5 Implications for partner organisations?

There are no implications for partner organisations.

Report author(s):

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| Legal: Julie Sprayson | Principal Legal Executive ; Commercial Team | Finance & legal | 13 May 2013 | 13 May 2013 |
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| Members: Councillor Lynnette Kelly | Cabinet Member (Business Enterprise and Employment) | | 03 June 2013 | 03 June 2013 |

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