

Executive Member for Resources

Thursday, 24 May 2007

Present: Councillor Alan Cullens (Executive Member for Resources)

Officers: Suzy Jeffrey (Senior Property Surveyor) and Tony Uren (Democratic Services Officer)

07.08 DECLARATIONS OF ANY INTERESTS

The Executive Member had no reason to declare an interest in any of the meeting's agenda items.

07.09 EXCLUSION OF THE PUBLIC AND PRESS

Decision made:

That the press and public be excluded from the meeting during consideration of the following items of business on the ground that they include the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

07.10 KING STREET OFFICES AND FORMER NURSERY, CHORLEY

The Executive Member for Resources received and considered a report of the Senior Property Surveyor referring to the Executive Member's decision in November 2006 to agree the disposal of the King Street, Chorley offices and former Nursery to TP Supported Living for the sum of £370,000 plus VAT.

The prospective purchasers were not VAT registered and, consequently, the additional VAT payable would have rendered the transaction unviable for the purchasers.

Following further negotiation, a revised offer of £355,000 plus VAT had been made by TP Supported Living, provided that the purchase could be completed by 28 May 2007. The Officers considered that the revised offer still represented an acceptable open market value of the property and, after taking account of the lack of interest in the deteriorating premises, considered that it would be reasonable to accept the new offer.

Decisions made:

(1) That the revised offer of TP Supported Living to purchase the freehold interest in the King Street, Chorley offices and nursery for a consideration of £355,000 plus VAT be accepted.

(2) That, in view of the expediency in completing the transaction by 28 May 2007, the decision be implemented immediately.

Reason for decision:

The sale of the premises has been marketed since April 2005 and little interest, apart from the current offer, has been expressed. In addition, acceptance of the present offer is not conditional on the closure of Percy Street, thus avoiding the necessity to incur extra time and costs on the road closure.

Alternative option(s) considered and rejected:

The remarketing of the premise is unlikely to generate any more substantial offers.

07.11 LAND ON WEST SIDE OF COWLING BROW, CHORLEY - VARIATION OF COVENANT

The Executive Member for Resources considered a report of the Estates Surveyor (Property Services) on a proposal to allow the variation of a restrictive covenant imposed on the lease of land on the west side of Cowling Brow, Chorley which precluded any development of the land.

1.03 hectares of land had been leased in May 1999 for the purpose of facilitating the development of a new access road to serve industrial units being constructed on adjacent land. The 1.03 hectares of land was to be held as amenity land, with a restricted covenant precluding its residential or other commercial development.

Subsequently, a new roundabout was constructed at the landowners' expense and, whilst a section of new road was built on part of the Cowling Brow land, the rest of the site remained undeveloped and overgrown.

Consequently, the owner had obtained outline planning permission for the erection of three industrial units, with the intention of constructing two Class B2 industrial units, comprising 5,000 sq ft in total on the 1.03 hectare site, with the third unit to be located on a separate piece of land.

The Executive Member was advised that terms had been provisionally agreed for the variation of the restrictive covenant to allow the construction of Classes B1 and B2 industrial units only. Any other form of residential or commercial development would still be precluded by the covenant. The variation agreement would generate a capital receipt of £85,000, which would be available to support the Council's capital investment requirements.

Decision made:

- (1) That approval be given to the terms provisionally agreed for the variation of the restrictive covenant imposed on the lease of 1.03 hectares of land to the west side of Cowling Brow to allow the development of units for Classes B1 and B2 industrial use.
- (2) That the Director of Customer, Democratic and Legal Services be requested to prepare the Deed of Variation and complete the transaction.

Reasons for recommendation:

The negotiation of the variation of the covenant will generate a capital receipt for the Council and the development of the two industrial units will regenerate a vacant site.

Alternative option(s) considered and rejected:

The rejection of the request to release the covenant would prevent the regeneration of the site.

07.12 30 SAVILLE STREET, CHORLEY - RELEASE OF RESTRICTIVE COVENANT

The Executive Member for Resources considered a report of the Estates Surveyor (Property Services) on the proposed release of a covenant on the leasehold ownership of 30 Saville Street, Chorley which restricted its future sale to 83% of its open market value.

The current owner occupier of 30 Saville Street had acquired the property in September 2007 from the previous occupier under the 83% Low Cost Housing Scheme which stipulated that the property could only be sold at 83% of the current market value. However, the provisions of the Leasehold Reform Act, 1967 (as amended) enabled occupiers to seek the purchase of the remaining 17% share.

Following a request from the owner occupier to purchase the remaining share of the ownership in 30 Saville Street, provisional terms had been negotiated for the variation of the restrictive covenant which would result in the generation of a capital receipt in the sum of £16,250 for the Council.

Decision made:

(1) That approval be given to the terms provisionally agreed for the release of the restrictive covenant on 30 Saville Street, Chorley and for the purchase by the present owner occupier of the remaining 17% share of the ownership of the property.

(2) That the Director of Customer, Democratic and Legal Services be requested to complete the transaction.

Reason for decision:

The owner occupier is legally authorised to request the purchase of the remaining 17% ownership share, which will result in a capital receipt accruing to the Council.

Alternative option(s) considered and rejected:

None.

Executive Member for Resources