

DISPOSAL OF LONG LEASEHOLD INTEREST AT 18/19 WOODFIELD CLOSE, ABBEYDALE, REDDITCH

Relevant Portfolio Holder	Cllr Matthew Dormer
Portfolio Holder Consulted	Yes
Relevant Heads of Service	Claire Felton – Head of Legal, Democratic and Property Services Pete Carpenter – Executive Director of Finance and Resources
Report Author	Victoria Bendall Job Title: Property Manager Contact email: victoria.bendall@bromsgroveandredditch.gov.uk
Wards Affected	Abbey Ward
Ward Councillor(s) consulted	Yes/ No ??
Relevant Strategic Purpose(s)	Run and grow a successful business
Non-Key Decision	
This report contains exempt information as defined in Paragraphs 3 of Part I of Schedule 12A to the Local Government Act 1972, as amended	

1. RECOMMENDATIONS

The Executive Committee is asked to RECOMMEND that: -

- i) The Council disposes of the retail unit at 18/19 Woodfield Close, Abbeydale on a long leasehold basis to the current tenant; and**
- ii) the Council’s budget is augmented by the capital receipt and reduced by the income as described in Appendix 3.**

2. BACKGROUND

2.1 The property is shown on the location plan in Appendix 1 and comprises a ground floor retail unit currently occupied by the current tenant on a short lease.. The property is run by the tenant as a local convenience store, selling groceries and general produce.

The flat above the retail unit is held by another party on a long-term year lease from the Council.

2.2 The ground floor tenant has requested to purchase a long lease on the unit and a purchase price has been negotiated for the long leasehold interest, set to expire on a date co-terminous with the lease on the first floor flat. The lease would be subject to a service charge to cover the

proportional cost of maintaining and repairing the structure of the building and the use restricted to that of a convenience store.

- 2.3 Disposal of the property would be an opportunity for the Council to generate a capital receipt and dispose of a retail unit which is the only commercial property within an otherwise residential development. The unit does not fall within a local shopping parade and there is no risk that disposal of this individual unit would affect the integrity of any other commercial property being held by the Council.

3. FINANCIAL IMPLICATIONS

- 3.1 Disposal of the long leasehold interest would generate a capital receipt. This would mean foregoing an annual rental income and any potential rent increases if the current lease were to be renewed or the property re-let. The purchaser would be responsible for the Council's reasonable legal and surveyor's costs incurred in the transaction.

4. LEGAL IMPLICATIONS

- 4.1 There are no legal implications arising from this report.

5. STRATEGIC PURPOSES - IMPLICATIONS

Relevant Strategic Purpose

- 5.1 **Run and grow a successful business** – purchase of the long lease will provide security to the tenant and enable them to invest in the property and the long term future of their business. The longer lease will also make it easier for them to raise finance for any investment in the property.

Climate Change Implications

- 5.2 There are no Climate Change implications arising from this report.

6. OTHER IMPLICATIONS

Equalities and Diversity Implications

- 6.1 There are no equality and diversity implications arising from this report.

Operational Implications

- 6.2 There are no operational implications arising from this report.

Executive Committee

12th September 2023

7. RISK MANAGEMENT

- 7.1 The risk of foregoing the annual rental income is offset by the capital receipt which this sale would generate. The Council's costs incurred in the sale will be met by the purchaser.

8. APPENDICES and BACKGROUND PAPERS

Appendix 1 – Plan

Appendix 2 – Photo of property

Appendix 3 – Exempt information

9. REPORT SIGN OFF

Department	Name and Job Title	Date
Portfolio Holders	Councillor Matthew Dormer	29/08/23
Lead Director/Head of Services	Claire Felton – Head of Legal, Democratic and Property Services	29/08/23
Financial Services	Peter Carpenter Director of Finance	25/08/23
Legal Services	Claire Felton - Head of Legal, Democratic and Property Services	29/08/23