

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE
10 DECEMBER 2020

**AGENDA
ITEM NO**

7

Report Title	LITTLECOMBE BUSINESS UNITS			
Purpose of Report	To increase delegated authority limits for the disposal of long leasehold interests on this development.			
Decision(s)	Committee RESOLVES to delegate authority to the Head of Property Services to dispose of the remaining long leasehold interest in the council's business units at Littlecombe, Dursley above the current delegated limit of £250,000.			
Consultation and Feedback	None			
Report Author	Alison Fisk, Head of Property Services Tel: 01453 766321 Email: alison.fisk@stroud.gov.uk			
Options	Committee could opt to approve any individual disposals itself but this could lead to delays in transactions.			
Background Papers	None			
Appendices	Appendix A – Schedule of lettings and sales of Littlecombe Business Units			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	Yes	No	Yes

1. INTRODUCTION / BACKGROUND

- 1.1 Members will recall that the objective of this project was to bring forward 18,500 sq. ft. units for use by small-medium sized businesses in Cam/Dursley. The units were constructed by St Modwen and practical completion and handover took place in June 2018.
- 1.2 The council's agent, ASH Chartered Surveyors, has been actively marketing the business park on the council's behalf since July 2017 originally on the basis of letting the units on short term leases, in October 2018 members were advised through the Investment and Development Panel that no offers had been received at that point but that there was continued interest from parties wishing to buy.
- 1.3 Whilst a mixed tenure (selling and letting) was always considered, the council originally sought to retain control of the scheme and maintain it as a property investment because it wasn't keen to see an investor benefit if it could secure an ongoing income stream for itself. However, our approach needed to be adjusted and the Council started to market the units either to rent or for sale on a long leasehold basis.

- 1.4** This approach has proved successful and members have been updated on lettings, with ward members receiving an update in February this year. 7 of the 9 units will have been sold rather than let, should the last 3 deals complete.

2. MAIN POINTS

- 2.1** The majority of units have now been let or sold on long leaseholds of 150 years (see Appendix A), with values within current delegated authority limits. The exception to this was the letting to Tenant Services in-house repairs service, of the largest unit, where the appropriation was approved by committee.
- 2.2** The last of the units is now under offer for the asking price of £365,000 which exceeds the current delegated limit of £250,000.

3. CONCLUSION

- 3.1** In order for the disposal of a long leasehold interest in this unit to proceed, approval is sought to increasing the delegated limits for this development. The approval is not directly linked to this deal, in case it should not proceed, leaving flexibility for any alternative deal to be dealt with under delegated powers.

4. IMPLICATIONS

4.1 Financial Implications

The Medium Term Financial Plan assumes that all units will be let or sold. Where units are sold the resulting capital receipt is used for the repayment of debt. This generates a revenue benefit through lowering the Minimum Revenue Provision requirement.

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4.2 Legal Implications

There are no significant implications within this category.

The report sets out details of the implications of a switch to sale of long leasehold interests in paragraph 1.

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4.3 Equality Implications

An EqIA is not required because there are not any specific changes to service delivery proposed within this decision.

4.4 Environmental Implications

The following sets out details of significant implications identified by officers:

- The greatest proportion of carbon emissions for Stroud District, in common with elsewhere, is the built environment. The key challenge on delivering our 2030

Carbon Neutral commitment is that about 85% of these built environment emissions are in private control.

- The council has a very limited influence to make changes to privately held buildings that could impact upon emissions compared to those buildings that remain council property.
- The decision to construct (and subsequently lease or sell to local businesses) the businesses units had environmental implications at the time of making that decision. This decision to extend delegated limits does not in of itself create further environmental implications