

GOVERNANCE AND RESOURCES COMMITTEE
14th November 2019

Report of the Estates and Facilities Manager

PROPOSED LEASE OF LAND AT DERBY ROAD / BLEINHEIM ROAD, ASHBOURNE

SUMMARY

This report recommends extending the demise of an existing lease between the District Council and Central England Co-operative Ltd of an area of former roadway verge at the junction of Derby Road and Blenheim Road in Ashbourne to incorporate an additional strip of land to extend the car park of a newly developed convenience store and associated retail units.

RECOMMENDATION

That an additional lease for a term of 29 years is granted to Central England Co-operative Ltd on the terms stated in paragraph 3.1 of this report.

WARDS AFFECTED

Ashbourne South

STRATEGIC LINK

The lease as proposed will support the operation of a newly developed convenience store and will therefore be in support of the corporate priority of Business Growth and Job Creation.

1 BACKGROUND

- 1.1 The report concerns a section of District Council owned verge land at the junction of Derby Road and Blenheim Road at the entrance to Ashbourne Industrial Estate. The land in the District Council's ownership is shown edged in light brown on the plan at Appendix 1. The adjacent site shown edged in blue was formerly a vehicle showroom and was acquired and developed by Central England Co-operative Ltd (the Co-Op) for use as a convenience store in June last year. Additionally, 2 units within the building have been sub let by the Co-Op to Greggs and Queens fish and chip shop.
- 1.2 At the time of the store development, the Co-Op requested and were granted a lease of a strip of land of area 220 sq.m (shown shaded mauve) for a 30 year term at a rent of £4,500 per annum to allow development of a customer car park at the store.

2 CURRENT SITUATION

- 2.1 Since the store has been trading, there have been some problems with congestion in the car park and accordingly the Co-Op has now asked for an additional strip of land of area 176 sq.m. to be included in the lease.

2.2 The additional area is shown edged red in the plan at Appendix 1.

3 PROPOSED TERMS

3.1 Since there is already a lease in place of the larger car park area, it is proposed to grant an additional lease of term 29 years of the subject area at a rent of £3,600 per annum subject to the following terms:-

3.1.1 29 year business lease with tenant break clause at year 14.

3.1.2 Rent £3,600pa subject to 3 month rent free period to allow for capital works

3.1.3 5 yearly rent review to RPI (1%pa collar and 5%pa cap)as per existing lease.

3.1.4 Use limited to car park and signage (subject to planning)

3.1.5 Tenant to repair, insure and undertake capital works.

3.1.6 Tenant to reinstate at end of term.

3.1.7 Tenant to pay the Council's legal and surveying fees up to £360 and £250.

3.1.8 Tenant to pay Public Open Space advertising costs up to £400.

4 PLANNING

4.1 It is noted that there have been problems with large vehicles parking on the highway adjacent to this unit and causing an obstruction to other road users. This issue was addressed as part of the Planning Consent for the store development which required the road to be marked with double yellow lines for which the Co-op have made a contribution. Discussions with Derbyshire County Council have established that the timescale for the consultation process, including dealing with objections and modification and ultimate creation of the required Order could take up to 12 months.

4.2 The recommendations made in this report are in the District Council's role as land owner and are entirely without prejudice to any decisions made by the Council in its role as Local Planning Authority.

5 VALUATION/ ASSET MANAGEMENT

5.1 The Council's Valuer considers the rent payable to represent the best price reasonably obtainable for the subject site.

5.2 The leasehold disposal of an area of underused or surplus land on the terms suggested is in accordance with the District Council's Asset Management Plan 2019-2023.

6 CONSULTATION

Ashbourne Town Council and Ashbourne South Ward Members have been consulted on the proposed lease and any comments received will be reported verbally at the meeting.

7 OTHER EXPRESSIONS OF INTEREST

In addition to various general expressions of interest in development sites/opportunities across the District and the expressions of interest forming part of this report, no other specific expressions of interest have been received in relation to all the sites/properties included in this report.

8 RISK ASSESSMENT

8.1 Legal

The proposed terms protect the Council's position. The legal risk is low.

8.2 Financial

The proposed terms and valuation issues are set out in the body of the report. The financial risk is assessed as low.

8.3 Corporate Risk

The ability to undertake the works on third party land will enable the District Council to progress works required for the adoption of the section of Blenheim Road in District Council ownership at the appropriate time thereby supporting this priority scheme. The Corporate risk associated with progressing the works described in the report is consider low.

9 OTHER CONSIDERATIONS

In preparing this report, the relevance of the following factors have also been considered: prevention of crime and disorder, equalities, environmental, climate change, health, human rights, personnel and property.

10 CONTACT INFORMATION

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11 BACKGROUND PAPERS

None.

12 ATTACHMENTS

Appendix 1 – Additional area of land

Appendix 1

