



## **Proposed disposal of land at Brook Street**

### **SUMMARY**

- 1.1 Just before Local Government Reorganisation (“LGR”), the former “Cosy Beds” hostel was acquired by the County Council because part was expected to be needed for the Inner Ring Road scheme (in the configuration then planned). After it was transferred to us under LGR, the adjoining landowner, Campion Glass, leased it from us on terms which...

- required them to demolish the hostel premises
- required them to surface the cleared site for car parking
- allowed us to recover use of a defined part of the site if it was required for our “Connecting Derby” scheme.

As the design of our scheme evolved, this area was not required. Meanwhile, Campion Glass had inadvertently extended their adjoining freehold premises over another part of the leased area (contrary to the terms of the lease). They have since gone into Administrative Receivership.

- 1.2 Following discussions on the preferred means to resolve this, the Receiver proposes to offer the freehold of the extended Campion Glass premises in conjunction with the freehold of the remainder of our site on terms which pre-agree the split of proceeds.

### **RECOMMENDATION**

- 2.1 That the terms outlined in the report are authorised, allowing the Receiver to offer the freehold of our site simultaneously with the adjoining extended Campion Glass premises.

### **REASONS FOR RECOMMENDATION**

- 3.1 The terms recommended would maximise the mutual potential benefits from potential bidders for our combined freehold interests, including providing an appropriate receipt reflecting that the Receiver needs to be able to provide good title over the full extent of the adjoining extended premises.

## SUPPORTING INFORMATION

- 4.1 Campion Glass Ltd ("Campion") leased 371 sq m (0.092 acres) of land at Brook Street, as shown on the plan attached at Appendix 2, comprising...
- 13 sq m (0.003 acres) coloured black, upon which Campion built an extension, contrary to the terms of the lease
  - 358 sq m (0.088 acres) coloured grey.
- 4.2 This lease has now expired. It excluded the automatic renewal rights contained within the Landlord and Tenant Act 1954.
- 4.3 The agent's sale particulars are attached at Appendix 3. The provisionally agreed split of proceeds, subject to authorisation, would bring us a minimum of £180,000 or 50% of the total sale price achieved for the combined site if higher.
- 4.4 Whilst we would not wish to stifle any potential current demand, to protect our long term interests it is recommended that an appropriate restrictive covenant should be included within the transfer to match the permitted uses with the value initially achievable. It is accordingly recommended that the detail should be agreed between the Head of Estates and the Director of Legal & Democratic Services once the preferred bid has been established.
- 4.5 A previous Cabinet resolution has already authorised proceeds from the sales of land which had originally been acquired for Connecting Derby being applied to support the costs of that scheme.

## OTHER OPTIONS CONSIDERED

- 5.1 Discussions with the agents for the Administrative Receivers of Campion Glass started on the basis that a new lease could be offered to the purchaser of their premises, but evolved in response to the opportunity for both parties to maximise the potential capital receipt.

**This report has been approved by the following officers:**

<b>Legal officer</b>	Clare Wastenev
<b>Financial officer</b>	Nicola Goodacre
<b>Human Resources officer</b>	NA
<b>Service Director(s)</b>	Steve Meynell
<b>Other(s)</b>	Dave Powner, Project Manager, Connecting Derby

<b>For more information contact:</b>	Jim Olford 01332 258426 <a href="mailto:jim.olford@derby.gov.uk">jim.olford@derby.gov.uk</a>
<b>Background papers:</b>	None
<b>List of appendices:</b>	Appendix 1 – Implications Appendix 2 – Plan Appendix 3 – Agent's Particulars

<b>IMPLICATIONS</b>
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**Financial and Value for Money**

- 1.1 As contained within the report.

**Legal**

- 2.1 Detailed legal agreements will need to be negotiated with the Receiver for Campion Glass to ensure that the lease is formally surrendered and that the agreement reflects the split of any capital receipt. The Council has a duty to ensure that it receives the best consideration possible for the site under S123 of the Local Government Act 1972.

**Personnel**

- 3.1 None arising from this report.

**Equalities Impact**

- 4.1 None arising from this report.

**Health and Safety**

- 5.1 None arising from this report.

**Environmental Sustainability**

- 6.1 No issues arising from this report.

**Asset Management**

- 7.1 As contained within the report.

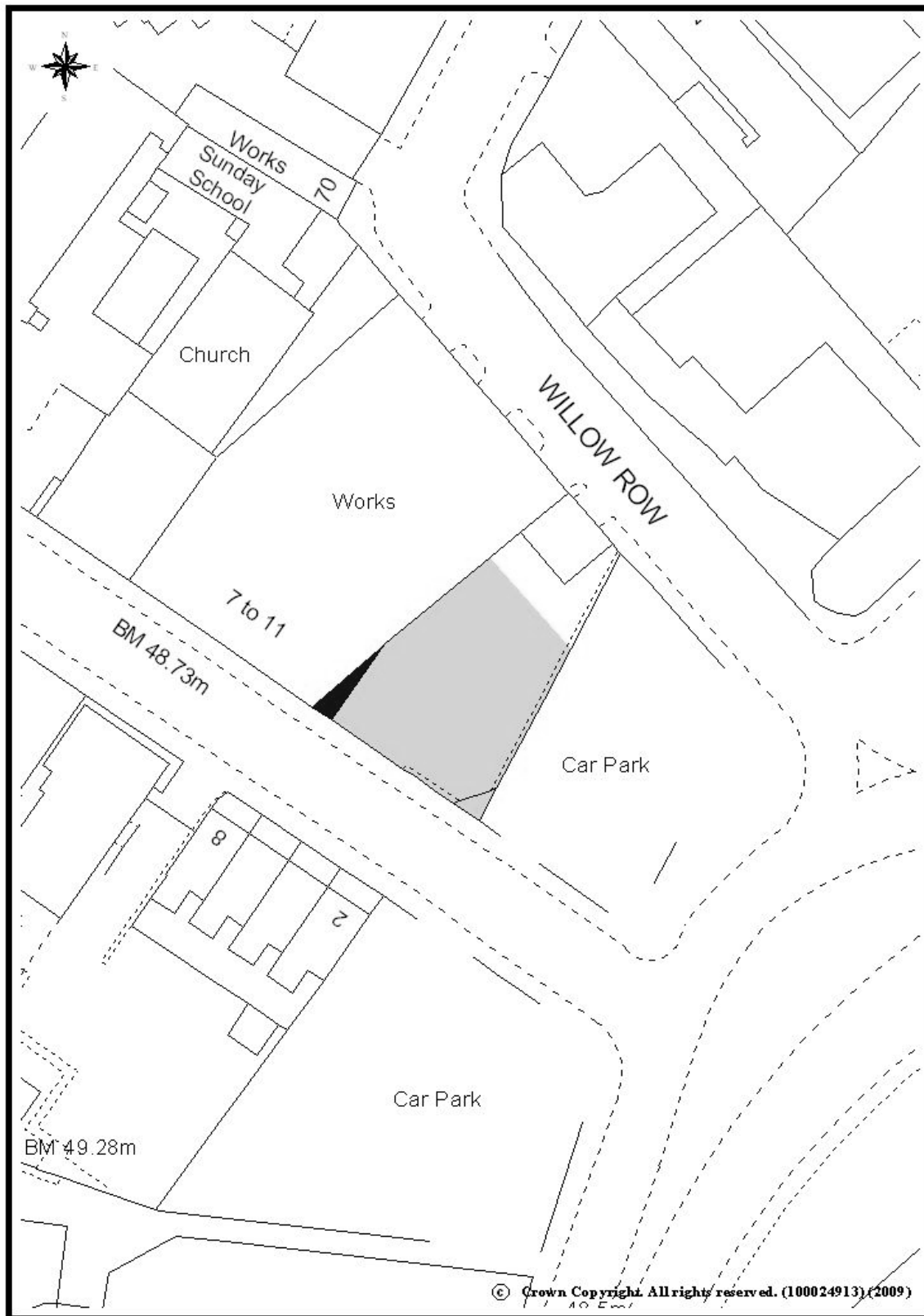
**Risk Management**

- 8.1 No issues arising from this report.

**Corporate objectives and priorities for change**

- 9.1 The proposal would meet the objective to regenerate Derby's neighbourhoods.

Plan (not to scale)



Draft Particulars

**7-11 Brook Street, Derby DE1 3PF**



Where is Derby?

Where is Brook Street in Derby?



**Buy! Prominent Retail Showroom,  
Workshops and offices**



11,834 sq ft (1,099.38 sq m)

Private customer car parking

Frontage to Inner Ring Road

Redevelopment Potential

Site area 0.364 acre (0.147 hectare)

**IMPORTANT NOTICE**

This property is for sale as a business and is not a residential property. The property is situated in a prominent position and is well suited for a variety of uses. The property is situated in a prominent position and is well suited for a variety of uses. The property is situated in a prominent position and is well suited for a variety of uses.

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**7-11 Brook Street, Derby DE1 3PF**

**Redevelopment potential**

**Where is it?** The property is situated fronting Ford Street (A610) in Derby city centre, close to BBC Radio Derby and Derby College's Joseph Wright Centre. A number of neighbouring buildings have been constructed or converted to office uses, residential and student accommodation due to the proximity of the city centre and to the University of Derby. The location benefits from high levels of passing traffic with the site having a high profile frontage to the main road.

**What is it?** The building provides a retail showroom with part glazed elevations, workshops, and stores, two storey offices, kitchen, and male & female disabled WC facilities.

The property has been measured on a gross internal basis to have a floor area of 11,834 sq ft (1,099.38 sq m) as follows:-

Showroom:	3,003 sq ft	(278.97 sq m)
Workshop:	4,427 sq ft	(411.34 sq m)
Stores:	321 sq ft	(30.00 sq m)
Ground Floor Offices:	1,498 sq ft	(139.22 sq m)
First Floor Offices:	1,985 sq ft	(184.44 sq m)

The site provides private customer car parking for approximately 12 vehicles.

**What planning does it have?** The property lies within the Midland Brook Mixed Use Area (Policy R7) within the City of Derby Local Plan Review and is suitable for a range of uses. Further enquiries should be directed to

Derby City Council Planning Department on 01332 255950.

The prospective purchaser should be aware that Derby City Council may wish to impose a restrictive covenant on future alternative uses, further information is available through the joint agents.

**What are the rates?** The property is assessed for rating purposes as having a rateable value of £33,500 (2010 List).

**How much is it to buy?** The property is for sale with vacant possession and our client seeks offers in the region of:-

**£250,000**

Our client will also consider a letting of the existing buildings on an occupational lease on terms to be negotiated.

**Is there anything else I have to pay?** All figures quoted are exclusive of VAT which may be applicable.

Each party is to be responsible for their own legal costs.



**So what was all that...?**

- 11,834 sq ft (1,099.38 sq m)
- Private customer car parking
- Frontage to Inner Ring Road
- Redevelopment Potential
- Site area 0.364 acre (0.147 hectare)

**Who do I speak to?** If you want to arrange to look round or just to have a chat about this property, contact:

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