

Norfolk County Council

Record of Individual Cabinet Member Decision

Responsible Cabinet Member: Councillor Greg Peck (Cabinet Member for Commercial Services and Asset Management)

Background and Purpose:

The Cabinet Member for Commercial Services and Asset Management is asked to approve the acquisition of the freehold interest in 46 New Conduit Street, King's Lynn PE30 1DL.

Decision:

To approve the acquisition of the freehold interest in 46 New Conduit Street, King's Lynn PE30 1DL, edged red on the plan.

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Is it a key decision? No

Is it subject to call-in? Yes

If Yes – the deadline for call-in is: 4pm, Tuesday 30 August 2022

Impact of the Decision:

As set out in the attached report.

Evidence and reason for the decision:

As set out in the attached report.

Alternative options considered and rejected:

As set out in the attached report.

Financial, Resource or other implications considered:

As set out in the attached report.

Record of any conflict of interest:

None.

Background documents:

None.

Date of Decision: 21 August 2022

Publication Date of Decision: 22 August 2022

Signed by Cabinet Member:

I confirm that I have made the decision set out above, for the reasons also set out.

Signed: Cllr Greg Peck

Print name: Cllr Greg Peck

Date: 21 August 2022

Accompanying documents:

Report: 46 New Conduit Street, King's Lynn PE30 1DL – Freehold acquisition

Once you have completed your internal department clearance process and obtained agreement of the Cabinet Member, send your completed decision notice together with the report and green form to committees@norfolk.gov.uk

Individual Cabinet Member Decision Report

Item No:

Report Title: 46 New Conduit Street, King's Lynn PE30 1DL – Freehold acquisition

Date of Meeting: not applicable

Responsible Cabinet Member: Cllr Greg Peck, Cabinet Member for Commercial Services and Asset Management

Responsible Director: Simon George, Executive Director of Finance and Commercial Services

Is this a Key Decision? No

If this is a Key Decision, date added to the Forward Plan of Key Decisions: not applicable

Executive Summary / Introduction from Cabinet Member

Norfolk County Council has been awarded £7,400,000 of Town Deal funding to deliver a new £12,400,000 Multi-use Community Hub for King's Lynn. 46 New Conduit Street, King's Lynn PE30 1DL has been identified as the most suitable property for this new facility, subject to redevelopment. It is proposed to acquire the freehold interest in the property from the current owner, the Borough Council of King's Lynn and West Norfolk.

Recommendations:

The Cabinet Member for Commercial Services and Asset Management is asked to approve the acquisition of the freehold interest in 46 New Conduit Street, King's Lynn PE30 1DL, edged red on the plan.

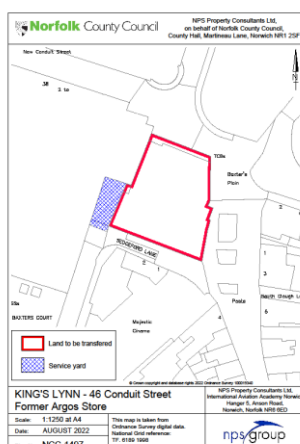
1. Background and Purpose

- 1.1 In January 2022 Norfolk County Council's (NCC) Cabinet approved a capital programme, endorsed by full Council in February 2022, that allocated funds toward the expansion of the library service to provide multi-use community hubs. King's Lynn has been identified as a location for one of these new hubs and a project team has been formed jointly with the Borough Council of King's Lynn and West Norfolk and other local stakeholders to progress this. Town Deal funding has been secured in principle to provide the balance of funding for the project.

- 1.2 A comprehensive site search has been undertaken for NCC by NPS Property Consultants and has identified 46 New Conduit Street, King's Lynn PE30 1DL as the optimum available site for the proposed new facility. This is because it is on the main retail loop for the town and hence benefits from high footfall and visibility as well as being well served by public transport and public parking. Given that the County Council will operate the new facility over the long term, a freehold site is preferred as it secures control for NCC and obviates ongoing rental payments. 46 New Conduit Street is one of only a handful of freehold properties available in the town centre and is by far the most suitable in terms of location, size and configuration.
- 1.3 The property currently forms part of the Vancouver Quarter shopping centre. It was formerly the town's Argos store but has been vacant for some time since Argos relocated into the Sainsbury's store. The Argos lease has ended and the property is currently held vacant by the shopping centre operator, Caddick (King's Lynn) Ltd (company number 04349711) and Headiam Ltd (incorporated in the British Virgin Islands with Company Number 669757).
- 1.4 The freehold is owned by the Borough Council of King's Lynn and West Norfolk (BCKLWN). It is subject to a 999-year headlease from BCKLWN to Vancouver General Partner Limited (in administration) (company number 05983626). It is further subject to an underlease from Vancouver General Partner Limited to Caddick (King's Lynn) Ltd and Headiam Ltd.. In order to secure the freehold interest in the property, the headlease and underlease will need to be surrendered so that BCKLWN can transfer the unencumbered freehold interest to NCC.

2. Proposal

- 2.1 It is proposed that NCC will acquire the freehold interest from BCKLWN for the sum of £425,000. This will be subject to the headlease and underlease being surrendered. The value of the property currently attaches to the underlease. The headlease and freehold interests currently have nominal value. Once the leases have been surrendered, the value will attach to the freehold interest.
- 2.2 The property to be acquired is shown outlined red on the plan below:



- 2.3 It is therefore proposed to create a contractual chain of related transactions as below:
- 2.3.1 Underlease held by Carrick (King's Lynn) Ltd and Headiam Ltd to be surrendered to Vancouver General Partner Ltd
 - 2.3.2 Headlease held by Vancouver General Partner Ltd to be surrendered to Borough Council of King's Lynn and West Norfolk
 - 2.3.3 Freehold to be transferred from Borough Council of King's Lynn and West Norfolk to Norfolk County Council
- 2.4 It is proposed to exchange conditional contracts by the end of August 2022 in order to secure the Town Deal funding for the redevelopment of the property to provide the new multi-use community hub. The acquisition will be conditional upon a number of factors, as detailed in the confidential **Appendix A**. The conditions seek to reduce risk for NCC by requiring the vendor to do certain things before the purchase completes.
- 2.5 **Appendix A** is exempt from publication as it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. The public interest test has been applied and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information at this stage. The information is exempt from the Cabinet Members Delegated Decision Report for the acquisition due to information being commercially sensitive which might prejudice the Council's ability to complete the acquisition if released. Details will be published on the land registry website when the acquisition is completed.
- 2.6 The Divisional Member has been informed of this proposal.

3. Impact of the Proposal

- 3.1 This property acquisition will enable NCC to deliver a new multi-use community hub for King's Lynn, bringing together library and adult education services into a more easily accessible central location, and providing a community offer fit for the 21st century.

4. Evidence and Reasons for Decision

- 4.1 A site search determined this to be the optimum site for the new facility in terms of location, tenure, size and configuration. NPS Property Consultants has negotiated the best possible purchase price for the property, which is affordable in the context of the wider project.

5. Alternative Options

- 5.1 There are no viable alternative freehold properties at the present time. Some leasehold options are available, but their tenure would tie NCC to significant ongoing revenue costs, which would render the project unviable.

6. Financial Implications

- 6.1 £425,000 capital purchase price, plus an allowance of £50,000 for Stamp Duty Land Tax and legal costs. NCC will become liable for business rates at £37,000 per annum upon completion.

7. Resource Implications

- 7.1 **Staff:** nil.
- 7.2 **Property:** As described elsewhere in this report.
- 7.3 **IT:** nil.

8. Other Implications

- 8.1 **Legal Implications:** In the usual way the legal implications are around legal title and the parties agreeing to the terms of the agreement for the acquisition and entering a contract. Nplaw is acting for NCC in the acquisition and is undertaking the usual due diligence to protect NCC's position. The vendor is in administration and being managed by receivers, who do not know the property well. As such, they have been unable to answer many of the standard legal enquiries, and this does create some additional risk for NCC. However, given the nature of the property and NCC's proposed redevelopment and use, this is not considered to create a material risk. Nplaw will provide expert legal advice if they consider there are any significant risks arising through the due diligence process.
- 8.2 **Human Rights Implications:** No implications.
- 8.3 **Equality Impact Assessment (EqIA):** No specific EqIA has been undertaken in respect of the acquisition given that the property is proposed to be redeveloped to provide the new facility. The usual EqIA will be undertaken as part of the design process and planning for operational use.
- 8.4 **Data Protection Impact Assessments (DPIA):** No implications in respect of the acquisition of this property.
- 8.5 **Health and Safety implications:** Upon acquisition NCC will become responsible for health and safety at the property. Whilst vacant, this will involve keeping it secure and undertaking periodic inspections to ensure it remains safe, in accordance with the Council's insurance requirements. Health and safety during the construction and operational phases will be considered and appropriately managed at the relevant time.
- 8.6 **Sustainability implications:** No direct implications from the acquisition. Proposed redevelopment will be fully cognisant of sustainability and the Council's net zero carbon objectives.

9. Risk Implications / Assessment

- 9.1 As for any property acquisition, there are legal risks involved in the purchase and these are being managed by nplaw through the legal due diligence process in the usual way.
- 9.2 There is a risk that NCC acquires the property for the purpose of redevelopment and then fails to secure the required planning permission, rendering the property immediately surplus to requirements. In such a situation, NCC would need to dispose of the property, and it is probable that this would be for less than the purchase price. However, with BCKLWN being supportive of the project, it is considered unlikely that planning consent would not be obtained for the proposed scheme, or a variation of it.

10. Recommendations

- 10.1 The Cabinet Member for Commercial Services and Asset Management is asked to approve the acquisition of the freehold interest in 46 New Conduit Street, King's Lynn PE30 1DL, edged red on the plan.

Officer Contact

If you have any questions about matters contained within this paper, please get in touch with:

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Email: christopher.hewitt@norfolk.gov.uk



If you need this report in large print, audio, braille, alternative format or in a different language please contact 0344 800 8020 or 0344 800 8011 (textphone) and we will do our best to help.