



The purpose of this paper is to invite Members to comment on a proposal of the Isle of Wight Council to appoint Cheetah Marine as a Special Purchaser of council owned land adjacent to their existing Unit on Ventnor Industrial Estate

**No.   DETAIL**

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**1)   PROPOSAL**

- a) The invitation is from Des Widger, the Senior Estates Surveyor in the Isle of Wight Council's Strategic Asset Team.
  - b) The Report to the Property Disposals Sub-committee meeting of 24 March is attached to this Report for Members' information.
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**2)   RECOMMENDATION**

Members are recommended to consider the proposal and agree a response to it to be communicated to Des Widger immediately.

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**PAPER .....**

Purpose: For Decision

## Committee report

Committee	<b>PROPERTY DISPOSAL AND CAPITAL PROGRAMME SUB COMMITTEE</b>
Date	<b>24 MARCH 2015</b>
Title	<b>TO APPROVE CHEETAH MARINE AS A SPECIAL PURCHASER OF COUNCIL OWNED LAND ON VENTNOR INDUSTRIAL ESTATE</b>
Report of/to	The Executive Member for Resources

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### EXECUTIVE SUMMARY

1. This paper seeks council approval to treat Cheetah Marine (CM) as a special purchaser of council owned land at Ventnor Industrial Estate to enable it to continue to expand its production capacity and create additional employment.
2. The final terms of the proposed lease will be submitted subsequently to the council for approval on agreement between the parties.

### BACKGROUND

3. The following information has been extracted from information supplied by CM in support of its case to be treated as a special purchaser.

*CM's plan for the next five years is to continue its expansion and product development to take the business forward in the global market.*

*The company is now in its twenty fifth year of production and its primary source of income is from the manufacture and sale of motor catamarans to a global market. Turnover has increased, on average, by five percent a year for the last five years and growth has been particularly strong in the European market. In addition, CM has joined a Technology Strategy Board project to develop a High Efficiency Work Vessel.*

*The proposed purchase of the land adjacent to our existing unit (Unit 10) at Ventnor Industrial Estate will enable us to build a suitable structure to store all of the moulds at our Unit 10 Primary Laminating Facility and will yield significant cost savings thereby safeguarding twenty seven existing full time jobs.*

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*In order to realise the full potential of the European market and the High Efficiency Work Vessel Project, up to eight new jobs will be created over the next two to three years.*

*We have received a grant offer from the Local Enterprise Partnership for twenty percent of the total cost of the project.*

4. The area of the land to be leased is approximately 490 square metres and is identified on the plan at appendix A.
5. It is proposed that CM be granted a 125 year ground lease of the land and full details of the proposed terms will be included in a subsequent report to committee on agreement between the parties.
6. The land to be leased to CM currently forms a parking area for the benefit of other tenants on the industrial estate. It will be necessary to relocate the parking elsewhere on the site and options to enable this are being considered.
7. The land is currently in a very dilapidated state and will benefit from redevelopment by CM.

### STRATEGIC CONTEXT

8. The disposal of this land has been identified in the council's 2015-16 property disposal programme.

### CONSULTATION

9. Ventnor Town Council and the local member have been consulted and their response is awaited.

### FINANCIAL / BUDGET IMPLICATIONS

10. In accordance with the council's special purchaser protocol CM will be required to provide two independent valuations of the land. The agreement with CM will be on the basis of them paying an initial premium for the land with an annual rent thereafter. The valuations will be procured on that basis.

### CARBON EMISSIONS

11. There will be no carbon emission implications as a result of this decision.

### LEGAL IMPLICATIONS

12. The council owns the freehold of the land.
13. The council has the power to dispose of property under section 123 of the local government act 1972 which requires it to achieve best consideration in any disposal.

### EQUALITY AND DIVERSITY

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14. The council, as a public body, is subject to general and specific duties under equality and diversity legislation and as such has a duty to impact assess its service, policies/strategies and decisions with regards to diversity legislation and the nine protected characteristics (race, gender reassignment, disability, age, sex and sexual orientation, religion or belief, pregnancy and maternity, marriage and civil partnership). There are no direct implications for the council's duties under the terms of Equality Act 2010 arising from the recommendations in this paper. There are no opportunities for it to eliminate unlawful discrimination, promote equal opportunities between people from different groups and foster good relations between people from different backgrounds arising from the decision to agree to a special purchaser for the land in question.

OPTIONS

15. The following options have been considered

- (1) To grant a 125 year ground lease to CM of the council owned land to enable it to expand its business, subject to agreement of final terms.
- (2) To retain ownership of the land and require CM to seek an alternative location to enable its expansion plans.

RISK MANAGEMENT

16. There is minimal risk to the council in granting the lease on the proposed terms. However, the delivery of the completed project will be entirely within the control of CM. The council will include in the agreement the right to repossess the land at market value if CM fails to carry out the agreed scheme within a period of time to be agreed.

EVALUATION

17. It is considered that the development of this land by CM will improve the condition of the site and the grant of the lease will enable a local company to expand its production and create additional jobs. It will also allow CM to benefit from the grant funding of twenty percent of the project cost approved by the Local Enterprise Partnership.

RECOMMENDATION

18. That option 1 be adopted

- (1) To grant a 125 year ground lease to CM of the council owned land to enable it to expand its business, subject to agreement of final terms.

APPENDICES ATTACHED

19. Appendix A – site plan showing the area of land to be leased to CM.

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BACKGROUND PAPERS

20. None.

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*Executive Member for Resources*

**The checklist at the beginning of this template MUST be completed before the report is sent to Democratic Services.**

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APPENDIX A