



Report to: Strategy, Performance & Finance

Decision Date: 18 June 2025

Portfolio Holder: Paul Peacock, Leader of the Council and Portfolio Holder for Strategy, performance & Finance

Director Lead: Sanjiv Kohli, Deputy Chief Executive & Director of Resource

Lead Officer: Shanade Bradley, Asset Manager

Report Summary	
Type of Report	Open report non-key decision
Report Title	Blidworth Advanced factory units: buy out of current rent share agreement.
Purpose of Report	To share the information on the valuation of the rent share agreement, and to recommend purchase from Blueprint.
Recommendations	<p>That the portfolio holder approves:</p> <ul style="list-style-type: none"> • The principal of buying out the rent share agreement from Blueprint at the cost of £120,000 up to a maximum of £132,000 (including a 10% contingency) as this represents the maximum financial benefit from the site; • A Revenue budget of up to £132,000 to be funded from the Change Management Reserve; and • Delegated authority for the Section 151, Deputy Chief Executive & Director of Resource to negotiate the payment between the values above.
Alternative Options Considered	To carry on paying the rent share to Blueprint. This would remove the requirement for the Capital cost. Below is an estimate of rent to be shared over the next 12 years, please note the agreement is in perpetuity.

	Year	financial year	Expected income	Blueprint rent share
	1	25-26	£ 58,780.00	£ 8,781.73
	2	26-27	£ 62,000.00	£ 9,262.80
	3	27-28	£ 64,000.00	£ 9,561.60
	4	28-29	£ 64,000.00	£ 9,561.60
	5	29-30	£ 64,000.00	£ 9,561.60
	6	30-31	£ 69,000.00	£ 10,308.60
	7	31-32	£ 69,000.00	£ 10,308.60
	8	32-33	£ 69,000.00	£ 10,308.60
	9	33-34	£ 74,000.00	£ 11,055.60
	10	34-35	£ 74,000.00	£ 11,055.60
	11	35-36	£ 74,000.00	£ 11,055.60
	12	36-37	£ 74,000.00	£ 11,055.60
				£ 121,877.53
Reason for Recommendation	The buy out enables the Council to receive the maximum revenue from the site. It would see the termination of our agreement with Blueprint which is in perpetuity.			
Decision Taken	Portfolio holder is in agreement with the recommendations of this report.			

1.0 Background

Leach Way, Blidworth is on a freehold title, owned by NSDC. The Council entered into a rent share agreement with the Commissioner (now Blueprint), and NCC in 2001 to help to fund the build of the industrial units on the site. The agreement is in perpetuity and is for a share of 16.6% of the received rent, minus a 10% management fee. There are 2 units on the site, unit 1 is 4360sqft and unit 2 is 6330sqft both in good condition. The units are currently leased with an annual income to the Council of £58,780.00 (rent only). Blueprints share is currently approximately £9,000 per annum.

Unit 1 - £23,980.00 per annum reviewed in 2024 next rent review due at lease renewal 14/09/2027

Unit 2 - £34,800.00 per annum next review due at lease renewal 06/09/2026

Unit 1 - occupied since 2011 lease renewal 14/09/2027

Unit 2 - occupied since September 2023 lease renewal Sept 2026 (this tenant has indicated that they wish to renew).

The units are on a full repair and maintenance lease therefore we have little to no spend on this site. There are no planned upcoming projects or upgrades to the site.

We did not have any issues in finding a new tenant in 2023, these are highly desirable units with a large yard space.

In 2022 Blueprint offered NSDC an offer to purchase the rent share agreement for £155,000, no decision was made at the time by NSDC. We have now undertaken our own independent valuation, with a recommended purchase price of £120,000.

The valuation report gives further information on the units, however in brief they are well built, and have a life expectancy far beyond the payback time of approximately 12 years for the buyout.

2.0 Proposal

To buy out the rent share for £120,000 from Blueprint. The Council would start to earn immediate additional income of around £9,000 per annum. Furthermore, the Council will start to see a profit on the initial £120,000 outlay in approximately 10-12 years depending on annual income increases.

If required for negotiations, an additional 10% contingency, to be authorised by section 151, Deputy Chief Executive & Director of Resource.

3.0 Implications

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection; Digital & Cyber Security; Equality & Diversity; Financial; Human Resources; Human Rights; Legal; Safeguarding & Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

3.1 Financial Implications (FIN25-26/6380)

Since Blidworth Advanced Factories have been operational, the Council has received £836,853 in rental income from tenants of which 16.6% has shared with Blueprint, equivalent to £138,917.

The proposal to settle the rent share agreement for £120,000 would alleviate the administrative burden and eliminate the need to share any further rent, which does not have an end date. The value of this is estimated at £121,877.53 which equates to 12 years of rent share (assuming full occupancy of the units) detailed in the alternative options section above.

If this proposal is approved, a revenue budget of a maximum of £132,000 which will need to be allocated from the Change Management Reserve.

This would result in a saving to the general fund of c£8,000 initially, increasing with relevant rent increases. Based on the table above, the settlement would take up to 12 years to pay back.

3.2 Legal Implications – LEG2424/2359

SLT is the appropriate body to be consulted regarding this proposal with the decision maker being the S151 Officer. The Legal team will need to be instructed following any decision to deal with the transaction.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None