

London Borough of Sutton

Resources Group

Executive Head of Property and Procurement – Ade Adebayo

Your Ref:

My Ref:

Date: 8 December 2010

Direct Line: 020-8770-6148

Fax: 020-8770-6300

E-mail: alex.fitzgerald@sutton.gov.uk

Please ask for: Alex Fitzgerald



M Cumper Esq
Chairman
KIPPA BID Ltd
6 Wealdstone Rd
Sutton
Surrey
SM3 9RW

Please reply to:

**London Borough of
Sutton**
Resources Group
24 Denmark Road
CARSHALTON
Surrey SM5 2JG

Dear Mr Cumper

www.sutton.gov.uk

Land at Kimpton Industrial Park – enquiry regarding freehold purchase

Thank you for your letter of 2 November to Ian Birnbaum, the Interim Chief Executive who has asked me to respond to you on his behalf and I appreciate your interest on behalf of the number of businesses that you represent at Kimpton.

It is a pleasing indication that businesses would like to commit further and expand and I note that in order to do so some feel that they need to purchase their freehold instead of leasing as is the current form of tenure on the Estate.

As you know from previous enquiries, the Council has a general policy not to sell its investment properties, which are a source of income which helps fund the Council's operational services. The continued freehold ownership of such investments also enables a further layer of control over the use of the land. This is an important consideration and ensures that there is a stock of land available for industrial and employment uses.

Additionally, the Council's freehold holding at Kimpton was specifically defined within its Corporate Asset Management Strategy 2010 as amongst its Strategic Interests to retain. This was adopted earlier this year and looks at the Council's asset base and corporate goals and objectives over the next 5 to 10 years.

The policy of the Council not to sell such freehold investments was therefore recently endorsed and remains. However I am aware that at times some Tenants would like a longer unexpired lease term than they currently have. The Council is happy to work with those tenants to re-gear and re-structure their leaseholds to suit their business needs. This can take the form of agreeing a surrender of leases with only 40/50 years remaining unexpired and granting new leases of 125 years.

This has taken place in five or six examples over recent years and if you become aware of anyone who wishes to discuss a possible re-structure of their existing lease then please ask them to contact me directly and I would be happy to facilitate direct discussions.

I trust that this provides you with sufficient certainty as to the Council's position on Kimpton Industrial Park and please feel free to pass a copy of this letter to anyone who may contact you on this issue.

Yours sincerely

Alex Fitzgerald
Acting Head of Asset Management

Strategic Director
Resources:
Gerald Almeroth

Interim Chief Executive
Dr Ian Birnbaum

CC Dr I. Birnbaum



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