
Executive Decision Disposal of Oxford Street Units UPRN 1983

52-58 Oxford Street, Leicester, LE1 5XW

Decision to be taken by: City Mayor

Decision to be taken on: 6 July 2026

Lead Director: Matthew Wallace

Useful information

- Ward(s) affected: Castle

- Report author(s):
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Head of Strategic Property
Estates and Building Services

- Report version number: FINAL

1 Summary

- 1.1 This report seeks approval for the freehold disposal of the site known as 52-58 Oxford Street, Leicester, LE1 5XW (UPRN 1983) comprising 0.48-acres (1,942 m²) to National Grid Electricity Distribution (NGED) for £2m as a 'Special Purchaser' (as defined in the Council's Constitution). The Director of Estates and Building Services has approved the valuation of the site, supported by two external RICS Red Book valuations.

2 Recommended decision

The City Mayor is asked to formally approve:

- 2.1 The freehold disposal of site (UPRN 1983) 52-58 Oxford Street, Leicester, LE1 5XW to National Grid Electricity Distribution (NGED) for £2m as a Special Purchaser.
- 2.2 The City Barrister and Head of Standards will prepare and execute all necessary documentation required. The Director of Estates and Building Services Division will agree the required detailed terms.

3 Scrutiny/stakeholder engagement

- 3.1 Scrutiny and stakeholder engagement has been conducted in line with this Executive Decision Report.

4 Background and options with supporting evidence

- 4.1 Leicester City Council owns the freehold of a land and building assets at 52-58 Oxford Street, Leicester, LE1 5XW.
- 4.2 The site comprises four portal framed industrial units constructed in the 1980s. The units are commercially leased to long-standing tenants with leases contracted in the Landlord and Tenant Act 1954 (L&TA 1954). The site is held within the Council's Commercial Real Estate portfolio – known as The Corporate Estate.
- National Grid Electricity Distribution (NGED), formally Western Power Distribution (WPD), have approached Leicester City Council to acquire the entire 52-58 Oxford Street site to develop it to house two/three new primary substations in order to provide sufficient electricity infrastructure capacity for the City including growth for the next 20 years.
- 4.3 The 0.48-acre (1,942 m²) site is located within a Strategic Regeneration Area of the Central Ring Road and therefore is considered a suitable infrastructure expansion and redevelopment site.
- 4.4 NGED have undertaken extensive land and feasibility studies across the City of Leicester; all other options have been discounted in preference to the 52-58 Oxford Street site. There are no alternative sites in the City that are centrally located of the pre-requisite size, nor that have suitable adjacency to existing infrastructure. The Oxford Street location requires minimum invasive and disruptive changes to highways and cable infrastructure. Therefore the 52-58 Oxford Street site is considered the most viable option for the new expansion required to enable the required future infrastructure electrical supply to support the City of Leicester for the next 20 years.
- 4.5 The proposed purchase and redevelopment of the site meets the regeneration designation outlined in 5.2.1 of Schedule 2 within the Council's Constitution and Land Transaction Rules. As NGED are a 'special purchaser' they also meet the designation outlined in 5.2.4 of the same schedule.
- 4.6 The disposal, which is subject to NGED obtaining planning permission for their proposed use (anticipated during the Summer of 2026), will result in a net rent revenue loss to the Council's Corporate Estate.
- 4.7 The Council agreed informally with the tenants that the local Jain Temple could temporarily allow Blue Badge parking at the site during weekday evenings and weekends only. The Temple have been made aware that this parking will be revoked once the site is disposed of. They relocate to suitable free on-road Blue Badge parking on York Road and at Newarke Street Car Park.

- 4.8 The Council is fully engaged with the commercial tenants on relocation options within the Corporate Estate and three out of four tenants have agreed to be re-located. The fourth tenant will be suitably compensated for the surrender of tenancy under the L&TA 1954.
- 4.9 The substantial redevelopment and security of electrical infrastructure proposed by NGED for the new primary substation development at this site is of strategic importance for future economic growth and the delivery of long-lasting benefits to the City of Leicester.
- 4.10 The Council's external valuations of the site and current commercial income is disclosed in Appendix A marked Confidential – Not for Publication.

National Grid Electricity Distribution (NGED) purchase request and the Council's response

- 4.11 National Grid Electricity Distribution's (NGED) identification of the Oxford Street site will enable them to expand the City's electrical capacity supplying sufficient electrical supply for the next 20 years. The site has sufficient space for up to three Primary 33kv to 11kv Transformers with initial plans for two Transformers and expansion to three Transformers at a later date in line with infrastructure growth projections
- 4.12 The proposed Oxford Street NGED development is required to reinforce and ultimately replace NGED Red Cross Street/Southgates primary substation in central Leicester which was laid out in the 1960s and has no further land for the expansion and growth required in the City.
- 4.13 The Red Cross site substation not only supplies the local area, but it also provides interconnection to surrounding networks. The Oxford Street site will increase integrity and security of the NGED electricity supply for the next 20 years and in facilitating the achievement of its net zero sustainability objectives.
- 4.14 The development of the site by NGED will continue to support the viability of electrification opportunities. A drive towards electrification reduces carbon emissions associated with the City's current outdated electrical supply and thereby has a positive contribution to the Council's Climate Emergency objectives.
- 4.15 Electrification enables innovation and investment in carbon reducing technologies such as additional renewable energy generation, electric vehicle charging infrastructure, air source heat pump capacity, smart grid technology and battery storage solutions, which all present opportunities to contribute to reduced emissions.
- 4.16 NGED have offered the Council £2m for the site. NGED has allocated funding for the purchase through its infrastructure improvement funding, subject to planning, the sale would be expected to complete post planning approval anticipated by late Summer 2026.
- 4.17 Without replacement electrical infrastructure and capacity, key future developments in the City will be compromised preventing further growth and development within Leicester. The sale of the property asset to NGED will provide development space for this infrastructure which will provide increased security of supply to the City and a suitable market value capital receipt for the Council. Several large business

stakeholders within Leicester City are all in discussion with NGED regarding their own issues around capacity constraints for expansion.

4.18 Under normal circumstances, the Council would consider this site to be a robust investment for its revenue income as part of its commercial real estate portfolio and would not wish to dispose of this asset. However, the strategic energy infrastructure benefits vastly outweigh the commercial revenue in this instance.

4.19 The Council is satisfied that best consideration will be achieved through the proposed disposal.

Running and Maintenance Costs

4.20 The Council's Corporate Estate generates a revenue income per annum from the external tenants and has no cost obligations for the site apart from managing the leases in place. The running costs being recoverable alongside other site management fees via a service charge.

Valuation

4.21 The Council has undertaken two external RICS Red Book valuations to verify the market value. The offered disposal value of £2m is justified and meets the requirements of the Council's fiduciary duty to achieve best consideration under S.123 of the Local Government Act 1972. The confidential Appendix A contains the external valuations and covenant requirements for the site.

Options

4.22 Options for this site that have also been considered includes:

- i) Developing the site for residential purposes. This option has been discounted by the Housing Division, who have confirmed that based on reported land value and anticipated build costs, the affordability model has concluded that the development of new affordable homes on the site would not be viable.
- ii) To decline the offer from NGED to purchase the freehold and continue with the current existing leases with the annual income.

This option was discounted given the best value capital receipt, and the importance of the stability of the electrical supply to the City's future growth. The tenants are in agreement to relocate with minimal impact on their businesses.

- iii) To dispose of the freehold to NGED to facilitate electrical infrastructure capacity which will in turn enable future economic growth and development of the City. Additionally, the sale will generate a capital receipt for the Council (**recommended option**) and the NGED offer of £2m represents best consideration. To provide the necessary new accommodation/compensation as agreed with existing tenants. (See Appendix A – Confidential Financial Information (Not for Publication)).

Financial, legal, equalities, climate emergency and other implications

4.23 Financial implications

The budgets for 2025/26 and 2026/27 set out the ambition to secure capital receipts of £60m from the sale of land and property, which could be used to offset planned borrowing, finance capital expenditure or, with the permission of the Secretary of State, directly finance revenue expenditure. This report proposes the sale of 52-58 Oxford Street, held within the Council's General Fund, which would provide £2m towards this objective.

The Corporate Estate receives revenue income from the site which will be lost through this sale, but the savings on borrowing costs which the Council could benefit from would be higher than this lost income. The pressure on the Corporate Estate budget for the loss of income from 2026/27 onwards has been reflected in the budget. Appendix A includes details of the income and cost of relocating the existing tenants, and the work required to a site for relocation along with surveying and legal fees, these would be first calls on the £2m capital receipt.

Signed: Stuart McAvoy – Head of Finance
Dated: 3 June 2026

4.24 Legal implications

1. The Council has a legal obligation to dispose of land at the best consideration reasonably obtainable in accordance with S.123 of the Local Government Act 1972 (as amended). Open marketing is acknowledged to achieve best consideration.
2. A proposal to dispose of property on the basis of a one to one transaction without open marketing must be in accordance with the Disposal Policy Framework forming part of the Council's Constitution. The Executive will need to be satisfied that the disposal accords with the relevant provisions of the Framework relating to exemptions for 1-1 disposals. Without open marketing there is the potential risk that a higher value could have been achieved through exposure to the market, however, the report sets out justification for the proposed sale.
3. The Council will also need to ensure that the Council's general fiduciary duty is complied with in disposing of assets in accordance with the Disposals Framework.

Signed: Zoe Iliffe, Principal Lawyer (Property Highways & Planning)
Dated: 4 June 2026

4.25 Equalities implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to

advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The recommendation of the report does not have any direct equalities implications; however, it is important that the process is open, transparent, and accessible.

Signed: Surinder Singh, Equalities Officer
Dated: 3 June 2026

4.26 Climate Emergency implications

There is a potentially positive climate emergency implication arising from this report. Demand for electricity continues to increase, and sources of electricity are increasingly low carbon (renewable). Supporting current and future development through the disposal of land for the use of electrical infrastructure also supports the Climate Ready Leicester Plan in terms of supporting electrification for heating and transport.

Signed: Phil Ball, Sustainability Officer
Dated: 4 June 2026

4.27 Planning Implications

Pre-application advice was issued which highlighted a number of issues which require to be addressed to secure planning consent including impacts on adjacent occupiers and enclosure treatment, but subject to these points being satisfactorily dealt with, the importance of securing such a facility is a significant factor in justification of the proposal. It is noted that the disposal is subject to securing planning permission.

Signed: Grant Butterworth, Head of Planning
Dated: 2 June 2026

4.28 Other Implications

Loss of income adjustments to the Corporate Estate income budget will be made.

5 Background information and other papers:

None

6 Summary of Appendices:

Not for Publication

Appendix A – Confidential Financial Information

Appendix B – Redline Plan

7 Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No. However, Appendix A is marked “Not for Publication” because it contains exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 as amended: i.e., “Information relating to the financial or business affairs of any particular person (including the Authority holding that information)”.

8 Is this a “key decision”? If so, why?

No

