

Report of : Head of Property Services
Report to : Chief Asset Management and Regeneration Officer
Date: 28 April 2014
Subject: OTLEY ONE STOP SHOP, 6-8 BOROUGHGATE, OTLEY, LS21

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|---|---|--|
| Are specific electoral Wards affected? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| If relevant, name(s) of Ward(s): | Otley & Yeadon | |
| Are there implications for equality and diversity and cohesion and integration? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Is the decision eligible for Call-In? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does the report contain confidential or exempt information? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| If relevant, Access to Information Procedure Rule number: | | |
| Appendix number: | | |

Summary of main issues

1. 6 – 8 Boroughgate also known as the Otley One Stop Centre is a substantial 18th century stone built property. It is now fully vacant, thus leaving a building that is surplus to the Council's operational requirements.
2. The property is situated within the Otley Town Centre and Conservation Area as designated in the adopted UDP. The property is grade II listed.
3. No operational reason has been identified to justify retention and it is therefore proposed that the building is offered for sale on the open market, initially by way of seeking expressions of interest to be followed by an invitation of offers by informal tender or through public auction depending on the level of interest received.

Recommendations

4. It is recommended that the property be:
 - i) The property be declared surplus to Council's requirements,
 - ii) The property be advertised for sale on the open market with the level of interest expressed then being determined whether informal offers should be sought, or entered in a public auction.

1 Purpose of this report

- 1.1 The purpose of the report is to seek to have the subject property declared surplus to Council requirements and to dispose of the property on the open market.

2 Background information

- 2.1 6 – 8 Boroughgate is a substantial three storey stone built property with a single storey rear stone built annexe, together with outbuildings and on-site car parking. The property currently provides office type accommodation and was last in use as a One Stop Centre, offices for the local Registrar and ancillary support staff accommodation.
- 2.2 The subject property is located on the north side of Boroughgate which forms part of the A659 running through the centre of Otley. Boroughgate is one of the main shopping streets within the town centre and is characterised by retail premises with residential or ancillary storage to the upper floors. Otley is a traditional and attractive market town approximately 10 miles to the north west of Leeds City Centre.
- 2.3 The majority of the accommodation is located within the original stone buildings that front onto Boroughgate. Number 6 is two storey and number 8 is three storey (albeit the upper most level of windows are at attic level). Whilst these have separate street numbers and differing building heights, they are interconnected and have been functioning as a single unit.
- 2.4 The property also has a single storey rear extension that was once used as Council Chambers. This is built in stone and is in-keeping with the main property. This extension is linked to the main building by way of a single storey corridor style link arrangement.
- 2.5 To the rear of the property is an enclosed yard that provides car parking. Vehicular access in to the rear yard is from Courthouse Street, a one-way street running to the rear. The rear yard also contains a linear arrangement of outbuildings that have provided storage over the years. These are now in a poor state of repair. Part of these outbuildings enjoy listed status in their own right and the remainder, to include the rear extension mentioned above all benefit from being curtilage listed.
- 2.6 Accommodation is planned out over basement to attic second floor level in the main section and to ground floor only in the rear 'extension'. The attic and basement (under part only) are used for storage or for plant (e.g. boiler). As such the principal accommodation is located at ground and first floor levels only.
- 2.7 The office accommodation throughout the building totals approximately 4,900 sqft, there is a large amount of circulation space and the attic second floor above number 8 in particular is extensive.
- 2.8 The property is street lined to the front. To the eastern gable end is a public foot path. This leads only along the length of the building itself, at this point the path is gated to prevent access into the rear yard and pedestrians continue over the adjacent yard. This is marked as a public footpath by way of signage on site and it is typical in this location that public can access between building and streets by way of alleys and yards.

- 2.9 As the property is listed at Grade II, this will have a direct impact on both its potential re-use and any associated costs in doing so. The property enjoys a planning use as office accommodation but as it is in the town centre, town centre uses would be welcomed in planning terms. This includes residential upper floors as an ancillary use. This has occurred at the adjacent number 4 Boroughgate (sold by the Council in 2006), which has a shop at ground floor level and two flats above. The subject property however does not enjoy the benefit of a glazed shop frontage and this could not be installed due to its listed nature.
- 2.10 A Planning Statement has been drafted and circulated to Ward Members for comments. The statement outlines the suitability, in principle, of the building for town centre uses and is to confirm its existing use formally as offices (as defined within Class B1) of the Town and Country Planning (Use Classes) Order 1987 (as amended). Once approved, this statement will accompany any marketing particulars and help guide prospective purchasers in forming their opinions.
- 2.11 Following vacation of the property by the One Stop service future Council use of the building was considered by the Property Review Group. No operational use was identified to justify retention of the building and it is surplus to the Council's requirements.

3 Main issues

- 3.1 The property is no longer required for operational reasons and now that it is vacant it is a liability to the Council to hold it empty and no new Council occupier has been identified.
- 3.2 In the interest of efficient asset management it is proposed that the property be sold on the open market at best financial consideration and to secure a new use for it.
- 3.3 Whilst a range of uses are suitable in principle, in practice the listed nature of the property is likely to constrain adaptation of the property and limit its potential re-use to some degree.
- 3.4 Via a ward member, a local group had expressed an interest in part of the property to occupy it for their own use. The group initially expressed an interest in number 6 but its cellular nature and interconnection with number 8, made it unsuitable upon inspection. This group then shifted their interest to the rear extension, which was considered more suitable in that it is mainly open plan space and offers a relatively easier option for subdivision from the remainder of the property.
- 3.5 This group sought a Community Asset Transfer (CAT), and this was given due and careful consideration. However, it was not deemed appropriate and the application was rejected.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Ward Members were consulted on a disposal of the property on the open market on 4 April 2012. Responses were gained from 2 Ward members (Councillor Downes and Councillor Campbell) both of whom sought a response from a valuation exercise before making their response.

- 4.1.2 In June 2012 the requested valuation figures were reported verbally on a confidential basis. Ward Member responses were then anticipated in relation to the initial letter.
- 4.1.3 In October 2012, Ward Members were written to again, with the original 4 April 2012 letter attached for ease of reference. Councillor Campbell responded requesting a breakdown of the valuation figure to reflect sections of the property. He was advised that this was an incorrect approach and in addition that the property is not being marketed in lots or sections.
- 4.1.4 Councillor Campbell requested that a local community group be shown around the property as they may be interested in part of it.
- 4.1.5 Councillor Campbell's request was accommodated and the group were shown around the building. The result of this was that the local community group put in an application for a Community Asset Transfer (CAT), as previously mentioned the application was considered but it was not considered suitable for a CAT.
- 4.1.6 Ward Members have been advised of the decision to reject the CAT application and they have accepted this position. Councillor Lewis in his capacity as Executive Member for Development and the Economy has also been consulted about the decision to sell the property and is supportive.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 No specific issues arise from a disposal of the property, however, a sale will generate a capital receipt to the Council and generate revenue savings which can be utilised in support of the Council's spending programme and other corporate priorities which support equality, diversity, cohesion and integration initiatives.

4.3 Council Policies and City Priorities

- 4.3.1 A disposal of the property will generate a capital receipt in support of the Council's capital spending programme which, in turn, will support a number of corporate policy objectives.
- 4.3.2 A sale will represent prudent asset management supporting best value objectives of the Council.

4.4 Resources and Value for Money

- 4.4.1 No operational reason exists to justify retention of the property and therefore a sale will alleviate the Council of adhoc maintenance and security costs associated with holding the property.
- 4.4.2 Exposure of the property will be to the open market in order to ensure competitive bidding in order to optimise on the receipt received.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 Under Part 3 Section 3E Paragraph 2(a) of the Council's Constitution (Officer Delegation Scheme (Executive Functions)) the Director of City Development has authority to discharge any function of Executive Board in relation to the management of land (including valuation, acquisition, appropriation, disposal and any other dealings with land or any interest in land) and Asset Management.

- 4.5.2 The Chief Asset Management and Regeneration Officer has authority to take the decisions requested in this report under Executive functions 1 and 10 (specific to the Director of City Development) of the Director of City Development's sub delegation scheme.
- 4.5.3 The proposal constitutes a significant operational decision and is therefore not subject to call in.
- 4.5.4 The Head of Property Services confirms that in his opinion offering the property either by informal offers or auction to the open market, each approach promoting competitive bidding for the property, should result in the Council obtaining the best consideration reasonably obtainable for the property as required pursuant to the requirements of S123 of the Local Government Act 1972 (or under the Housing Act 1985).
- 4.5.5 If the property is disposed of by way of a public auction, the auction reserve would be set by the Head of Property Services on behalf of the Chief Asset Management and Regeneration Officer.

4.6 Risk Management

- 4.6.1 In attempting to dispose of the property there is a risk that it does not attract any interest and remains unsold. In this instance it will remain under Council ownership and any maintenance liability will also remain with the Council. However, this is unlikely as the property occupies a prominent location in a popular town centre. In the unlikely event that this does occur it could be re-offered for sale at a point in the future.
- 4.6.2 Options relating to the proposed disposal are considered below:
- a) Not to sell the property. This is not considered appropriate. The property has no operational use to the Council and its retention presents a cost liability.
 - b) To sell the property by informal tender on the open market, guided by a Planning statement. This option offers the ability to discuss offers and work together with potential purchasers to get achieve a realistic re-use of the property. Any purchaser will be guided by the Planning Statement to ensure that proposed developments are realistic in terms of ability to attain them. A deal could be negotiated that is subject to the receipt of planning permission, that will allow comfort for all parties.
 - c) To sell the property by public auction. This option could also be recommended with this site, depending on the level of interest revealed from the marketing exercise. The property occupies a prominent location in a busy and well regarded town centre. Competitive bidding at auction may help to obtain a high receipt.
 - d) To place the property on the market inviting in the first instance expressions of interest. This level of marketing will be guided by a planning statement and it will help gauge the appetite for the property and thoughts of potential purchasers for the likely method of disposal and its potential re-use.
- 4.6.3 It is recommended that option d. is approved as the best method of marketing the subject site and to help guide future decisions relating to it.

5 Conclusions

- 5.1 In conclusion, this report seeks approval to declare 6 – 8 Boroughgate Otley, the former One Stop Shop, surplus to Council requirements and seeks approval to dispose of it on the open market either by invitation of informal offers which will be reported back for consideration, or public auction.

6 Recommendations

- 6.1 It is recommended that:
- i) The property be declared surplus to Council's requirements,
 - ii) The property be advertised for sale on the open market with the level of interest expressed then being determined whether informal offers should be sought, or entered in a public auction.

7 Background documents¹

- 7.1 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.