



Report of : Chief Asset Management Officer

To : Executive Board

Date: 2 SEPTEMBER 2008

Subject: Response to Deputation by Kirkstall Valley Community Association to Full Council and a Separate Verbal Deputation to North West (Inner) Area Committee in Respect of St Ann's Mills

Electoral Wards Affected:

KIRKSTALL

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In

(Details contained in the report)

Executive Summary

A deputation was presented by the Kirkstall Valley Community Association to Full Council on 2 July 2008 regarding the "future of the historic mill buildings in Kirkstall, and adjoining land close to the river Aire", Appendix A. The Association are strongly opposed to the proposed sale of the mill buildings known as St Ann's Mills (shown on Plan 1, marked A), together with the sale of the land at the rear of the Mills (shown on Plan 1, marked B). The Executive Board at its meeting on 11 June 2008¹ had considered a number of options for the mill building and land and were asked to instruct officers with regard to the future of the building and land, as to whether:

- i) the land and buildings be sold,
- ii) retained for Council use as SIU's (Small Industrial Units) and the necessary Capital Programme provision for its upgrading made,
- iii) examine further for use by community groups.

The Executive Board instructed officers to dispose of St Ann's Mills and the adjoining land.

The 11 June 2008 decision of Executive Board was called in and referred to Scrutiny Board². Scrutiny Board reviewed the decision made by the Executive Board on 1 July 2008 and upheld the decision to dispose of the building and land following a presentation by the local Ward Members at Scrutiny Board for the retention of the building and land for community use.

In addition, Members of the Executive Board have been made aware of a verbal deputation to the North West (Inner) Area Committee on 3 July 2008 and attached at Appendix B is a full copy of the minute from that meeting which supports the concept of the retention of St Ann's Mills while the local community are given the opportunity to produce a business plan for alternative uses of the Mills.

1.0 Purpose of This Report

1.1 The purpose of the report is for Members to take note of the deputation (attached as Appendix A) made by the Kirkstall Valley Community Association who want the building and land "turning over" to the Voluntary and Community Sector to Full Council and also note a deputation has been made to the North West (Inner) Area Committee (copy of minute attached as Appendix B). Members are also asked to note the comments of officers relating to the deputation.

2.0 Background Information

2.1 The Council owns two former mill premises in Kirkstall known as Abbey Mills and St Ann's Mills. Both are operated by Asset Management on behalf of Economic Services as small industrial units (SIUs). Both properties had been held within the Council's greater SIU portfolio, which mainly comprises purpose built industrial estates, which provide small unit accommodation for new and small businesses in Leeds. Following the departure of key tenants at both sites, Abbey and St Ann's Mills are largely vacant. Abbey Mills and St Ann's Mills differ from most other properties in the SIU portfolio in that they are old mill buildings with several floors and are not therefore purpose built SIU accommodation.

2.2 In December 2004³, Executive Board considered a report about the condition of the Mills and their future use within the Council's SIU portfolio. As former mill buildings, neither property, in their existing condition, was considered to be ideal for their continued use as SIUs. Furthermore Abbey Mills, a Grade II listed building with a complex internal structure, was considered in both redevelopment, planning and conservation terms to be more suitable for residential use. In the context of retaining some small industrial units in Kirkstall, Executive Board instructed officers to explore the possibility of retaining and refurbishing St Ann's Mills for employment use, and funding its redevelopment from the capital receipt generated by the disposal of Abbey Mills.

2.3 The future of the mills was considered again by Executive Board in July 2006⁴, at which time proposals to remodel/refurbish each of the buildings were considered in more detail, together with updated costings and valuations.

2.4 Inter alia, the reports outlined the findings of Asset Management surveys, identifying large items of backlog maintenance for each property, and, in view of the fact that funds would not be available from mainline capital resources, considered options for the funding/refurbishment/remodelling of the Mills.

2.5 At the July 2006 meeting Executive Board re-affirmed its commitment to continue to explore the previously preferred option of selling Abbey Mills and re-investing the proceeds in St Ann's Mills and the report acknowledged that the scale of investment required at St Ann's Mills would necessitate the then Development Department having to seek a private sector partner for the project.

- 2.6 In the period since the December 2004 Executive Board report officers have explored various options for the delivery of the proposals approved by Executive Board. The proposals have not carried the support of Ward Members and this has complicated and slowed delivery of the project. This ultimately resulted in officers being unable to recommend to Executive Board the partnership proposals made recently for the St Ann's Mills site. The poor results from this exercise to find a development partner for St Ann's Mills were reported back to Executive Board on 11 June 2008 at the same time as officers were informing Members about the adverse impact of the 'credit crunch' on the Council's capital receipts programme and by implication the adverse impact on the delivery of Capital Programme priorities.
- 2.7 Given the need to ensure delivery of its Capital Programme priorities, Executive Board considered a number of options to boost capital receipt delivery and agreed a number of initiatives, one of which was to dispose of both St Ann's Mills and Abbey Mills on the open market. This was a change from Executive Board's earlier decision to retain St Ann's Mills in Council ownership for use as employment units.
- 3.0 **Officer's Comments on the Deputation to full Council**
- 3.1 With regard to the concerns of local people that some or all of the St Ann's building should be allocated for community use it should be noted that between 23 January 2006 and 13 February 2006 the Council undertook formal public consultation with around 1000 Kirkstall residents chosen at random from the electoral register. Those consulted were broadly in favour of the Council's proposed course of action (i.e. retention of St Ann's Mills as employment units) and were offered the opportunity via an 'other comments' section to make suggestions. The comments in this section did not suggest that there was a broad consensus that the buildings should be retained for community use.
- 3.2 With regard to the reinvestment of the proceeds of Abbey Mills into the St Ann's Mills site, clearly this will not now be the case if St Ann's Mills is sold.
- 3.3 With regard to the returning of both Mills to their 'former glory' this will now be the responsibility of the private sector developers who acquire the sites.
- 3.4 With regard to assurances given that the earlier proposals did not involve building on the site behind St Ann's Mills it is true to say that this was the case at the time. However, officers have stated on a number of occasions that they cannot and will not fetter the Council in terms of its future options, and Executive Board, after due consideration, has recently determined to change its earlier decision and to now sell this land which may ultimately be developed.
- 3.5 With regard to the fact that the land to the rear of St Ann's Mills is subject to flooding and classed as a 'zone of rapid inundation' this will be a key factor in assessing any planning application submitted by a developer. Any decision to give consent for development will be made by Plans Panel which would not, as the deputation has suggested, be expected to act in an 'irresponsible' manner.
- 3.6 With regard to the potential of the river valley to provide a 'phenomenal environmental asset' officers would concur with this view and have been instructed by Executive Board to work with Ward Members and the community to seek to develop this potential. Delivery of this potential need not be prejudiced by the disposal of St Ann's Mills.

- 3.7 With regard to community use of the St Ann's Mills building, Executive Board on 5 July 2006 received a presentation and a paper from one of the Kirkstall Ward Members on this matter, but determined, on balance not to support this proposal. In addition, there are no significant confirmed capital or revenue financial sums to support such a use of this 14,200 square foot building.

To secure lottery funding would take 18 – 24 months and during that time the now empty building would deteriorate further and be at risk of arson and vandalism attacks. The Council would also be incurring empty business rates at circa £7,500 per annum during this period.

4.0 **Summary and Conclusions**

- 4.1 Over the last four years Executive Board has received three reports about this matter (this report being the fourth) and has considered representations regarding community use of St Ann's Mills. Officers are of the view that such proposals have already received due consideration from Members.

5.0 **Recommendation**

- 5.1 Members are requested to note the deputation to full Council of the Kirkstall Valley Community Association and to note the comments of officers on that deputation.

Background Papers

1. Executive Board report on 11 June 2008 and the minute of that meeting.
2. Scrutiny Board Decision on 1 July 2008.
3. Report to Executive Board on St Ann's Mills - December 2004.
4. Report to Executive Board on St Ann's Mills - July 2006.