

MINUTES

Asset Management Board

Date: Thursday, 11 September 2014 Time: 1400

Venue: Arthur Vollans Room

Attendees

Christine Addison	CA	City Dev	Chief Officer Asset Management and Regeneration
Anne Chambers	AC	City Dev	Head Of Corporate Property Management
Stephen Hume	SH	ASC	Chief Officer Resources & Strategy
Mark Denton	MD	Resources	PPPU Executive Project Manager
Rory Barke	RB	Cit & Com	Area Leader Corporate
Ben Middleton	BM	City Dev	Head of Asset Management
Dayle Lynch	DL	City Dev	Strategic Asset Management Executive Officer
Tony Stringwell	TS	E&H	Parks & Countryside Senior Project Manager
Bhupinder Chana	BC	Resources	Audit & Risk Principal Financial Manager
Viv Buckland	VB	Children's	Head of Strategy and Commissioning
Michele Kelly	MK	City Dev	Senior Asset Management Officer

Otley Civic Centre (Martin Gresswell)

Report content summarised. Property vacated in 2010 and has continued to deteriorate, in 2011 costs were approximate £2.7m, the auditorium ceiling has since been damaged and costs are likely to be nearer £3m. After extensive searches there appears to be no partners willing to occupy the property. Otley Town Council have noted they would be prepared to manage when refurbished, but are now settled in their new offices and do not wish to relocate back. Although the property is not listed, Leeds City Council officers are unable to find a viable option for the property and seek from AMB support to place the property on the open market.

Councillor Lewis to be briefed and Ward Members views to be obtained prior to marketing commencing.

AMB Recommendation

AMB recommended further briefing with Executive Member for Transport and the Economy prior to agreeing a way forward.

MG

Report of : CITY DEVELOPMENT
Report to : TO THE ASSET MANAGEMENT BOARD
Date: 11 September 2014
Subject: Otley Civic Centre

EXECUTIVE SUMMARY:

1. The Council owned Grade II listed Otley Civic Centre is currently vacant and in need of major refurbishment. For several years officers have been exploring the potential to provide a shared base for services provided by Otley Town Council, Leeds City Council, and others.
2. Estimates developed in 2011 for works at Otley Civic Centre indicate a requirement for around £2.75m capital to refurbish the building. This is likely to have increased due to deterioration of the building since it was vacated by Otley Town Council in 2010. At the current time there is no identified means of funding the refurbishment.
3. Property Services estimate that following a refurbishment the market value of the Civic Centre would be around £500k.
4. In 2013 Otley Town Council established a working group to develop a feasibility business study looking at how a sustainable revenue base might be established for the future operation of Otley Civic Centre. This was submitted for consideration by LCC in January 2014.
5. In September 2013 a report to AMB noted that "if the Town Council are unable to demonstrate a sustainable business case for the Civic Centre and Leeds City Council are unable to identify cost effective uses, other options will need to be explored. This may include advertising for expressions of interest on the open market". Leeds City Council officers have assessed Otley Town Council's business study and do not believe that it demonstrates a sustainable future for the building, nor has LCC been able to identify cost-effective uses. Accordingly this report seeks AMB support to seek expressions of interest on the open market.

1.0 PURPOSE OF THIS REPORT

- 1.1 To advise AMB of progress since the Otley Civic Centre project was last considered at the AMB meeting on 5th September 2013.
- 1.2 To request AMB support for officers to invite expressions of interest from third parties to acquire and occupy Otley Civic Centre on the open market.

2.0 BACKGROUND

- 2.1 Otley Civic Centre is a Grade II listed building originally built in 1871 and extended in 1895. The Civic Centre is owned by LCC and was leased to Otley Town Council. The Town Council vacated the property in May 2010 due to ongoing management and maintenance issues. Since that time, it has remained unoccupied and continues to deteriorate.
- 2.2 In October 2007, a report to Executive Board considered the refurbishment of Otley Civic Centre and resolved:-
- That the Director of City Development make a formal approach to Otley Town Council, with an offer from the Council to transfer the freehold of the Civic Centre following its refurbishment on the basis of the costs of the refurbishment being shared by the two Councils;
 - That the Director of City Development report back to Executive Board with the outcome of that approach and, if appropriate, submit a request for a fully funded injection into the Capital Programme for the refurbishment works;
 - That approval be given to the ring-fencing of the capital receipt from the disposal of the North Parade site towards the implementation of the refurbishment works subject to the Town Council agreeing to share this cost.
- 2.3 The funding model for the above scheme was based on:-
- £683,000 Capital programme funding from Leeds City Council;
 - £500,000 Otley Town Council prudential borrowing;
 - £1,748,000 from the estimated sale value of property at North Parade in Otley.
- 2.4 Since Executive Board in 2007, the proposed refurbishment has been affected by:-
- The economic downturn and the Government's Comprehensive Spending Review impacting on the Council's capital and revenue programme;
 - Property values falling sharply and interest in the North Parade site from a supermarket falling away;
 - Otley Town Council and all sub-tenants vacating the Civic Centre in May 2010 and moving to alternative premises
 - A review of all schemes by the Capital Resources Group, which graded this project as an amber scheme;
 - Otley Town Council acquiring alternative office accommodation and advising that they do not wish to use the Civic Centre for office purposes.

3.0 MAIN POINTS

- 3.1 Otley Civic Centre has been vacant since May 2010, and continues to deteriorate. In 2011 NPS estimated that capital funding of around £2.75m would be required to bring it back into use, it is likely that this figure has significantly increased due to the ongoing deterioration.

- 3.2 Property Services and Conservation Planning officers viewed the property in 2013 to assess its potential for disposal. The feedback from this was that the property could be used for residential development or leisure purposes, however, the first floor theatre space within the building, which is valuable from a conservation point of view, and the lack of dedicated car parking would restrict disposal opportunities and in turn value. Property Services informally estimated that following refurbishment, the market value of Otley Civic Centre could be approximately £500k.
- 3.3 Otley Town Council originally intended to re-occupy the building but have now found new premises for their office functions, which they propose to retain. However, the Otley Town Council Leader advises that the proposed capital contribution of £500k is still available and the Town Council would like to acquire and/or manage the Civic Centre, in line with LCC's 2007 Executive Board resolution, if a refurbishment solution could be identified.
- 3.4 The Town Council produced a business feasibility plan in January 2014. The plan addressed the potential revenue costs and income, but did not address the capital costs of refurbishment. The plan was assessed by Leeds City Council officers, who are of the view that the plan does not demonstrate a Otley Town Council were advised accordingly at a meeting in April 2014, and were further advised that Leeds City Council officers would request approval to seek expressions of interest on the open market, to identify alternative and sustainable uses for the building.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The estimate for the cost of restoration of Otley Civic Centre in 2011 was £2.75m. A budget of £600,000 had been allocated to the project from Leeds City Council in 2007, but following a review of all council schemes by the Capital Resources Group in 2010 the project was graded amber.
- 4.2 If a project to refurbish Otley Civic Centre were identified, which required LCC funding, new designs and costs would be required, along with a new business case demonstrating sources of capital and revenue funding. Formal approval would then be required to inject funds into the capital scheme.
- 4.3 In March 2014 the Leader of Otley Town Council reaffirmed the possibility of Otley Town Council contributing unsupported borrowing of £500,000 for capital works to Otley Civic Centre in line with the Town Council resolution of July 2006.

5.0 EQUALITY, DIVERSITY, COHESION & INTEGRATION CONSIDERATIONS

- 5.1 Equality Impact Assessment screening will be carried out before any formal approvals are sought.

6.0 CONSULTATION WITH EXECUTIVE / WARD MEMBERS

- 6.1 The Executive Board Member, Ward Members and Town Council Members have been involved in regular consultations, and have been advised of the proposal to seek expressions of interest on the open market.

7.0 LINKS TO DIRECTORATE ASSET MANAGEMENT PLAN

7.1 The scheme links to the following Asset Management Plan aims:-

- Taking a lead role in the disposal of surplus land and property owned by the Council for the generation of Capital Receipts;
- Delivering and facilitating major projects that shape the future progression and enhance the aesthetic quality of the city, increase the economic and cultural benefits brought by major projects and development of the city's reputation as a major northern capital.

8.0 RECOMMENDATIONS

8.1 AMB is requested to:-

- Note the contents of the report;
- Support marketing of the property by the invitation of expressions of interest from the open market for Otley Civic Centre.

Signature of Service Chief Officer	
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**OTLEY CIVIC CENTRE
4 CROSS GREEN
OTLEY
LS21**



PREP BY M. CHRISTIAN
DATE 10/06/2013
OS No SE2045NW
Scale: 1:1,250

PLAN No 17229/3



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