



Report of Head of Land & Property

Report to Director of City Development

Date: October 2020

Subject: Otley Civic Centre, Cross Green, Otley, LS21 1HD

Are specific electoral wards affected? If yes, name(s) of ward(s): Otley & Yeadon	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Summary

1. Main issues

- Otley Civic Centre sits prominently in Otley town centre adding to its rich heritage. Disposal of the property had been agreed for conversion to apartments which would have supported the delivery of the Best Council Plan outcomes.
- The agreed sale did not conclude and it is now proposed to offer the property for sale by auction.
- The Council's selected auctioneer considers the property is suitable for sale by auction and the Council should be able to conclude the disposal.

2. Best Council Plan Implications

- Conversion of the Civic Centre to residential apartments is the most likely future use. This, and any other, use will guarantee the future of the Listed building and realise a capital receipt for the City Council.
- Any residential scheme is most likely to include affordable homes which supports the delivery of the Best Council Plan outcomes, in particular that everyone lives in good quality affordable homes within a clean and well cared for environment.

3. Resource Implications

- A capital receipt will be realised from the sale of the Civic Centre which will support the Council's Medium Term Financial Strategy. Executive Board on 21 October 2020 approved a list of properties to be included in the accelerated capital receipts programme. Otley Civic Centre was included in that list and approved by Executive Board for sale by auction.

Recommendations

- It is recommended Otley Civic Centre be sold by auction at a reserve price to be approved by the Chief Officer Asset Management and Regeneration.

1. Purpose of this report

- 1.1 The purpose of this report is to advise that the sale of Otley Civic Centre is not now proceeding with the previously selected purchaser and to recommend it be sold by auction.

2. Background information

- 2.1 Previously, following a period of marketing a proposed purchaser was selected to acquire the Otley Civic Centre on a subject to planning basis. They subsequently reduced their offer to a level which the Council could not be satisfied represented market value and meet the requirement to achieve best consideration.
- 2.2 Executive Board on 21 October 2020 agreed a schedule of properties the sale of which would be accelerated and approved the sale of Otley Civic Centre by auction.

3. Main issues

- 3.1 The Council's appointed auctioneer advises the Civic Centre is appropriate for sale by auction and should attract interest. The disposal will be on an unconditional basis without any obligations being imposed on the purchaser to refurbish the property.
- 3.2 Due to COVID19 restrictions, the auction will be conducted on-line. The auctioneer has experience of such on-line auctions. Viewings will be undertaken by arrangement with the auctioneer to ensure limited numbers of people enter the building at one time and are in accordance with any governmental regulations /recommendations in force at the time.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Ward Members were advised of the 8 October 2020 of the complications relating to the previously agreed sale and the possibility of accelerating the sale by auction. Members were advised a report would be considered by Executive Board on 21 October 2020 regarding the accelerated capital receipts programme and reference to Otley Civic Centre would be made in that report. Ward Members were then advised on 30 October 2020 the Civic Centre has been entered in an auction.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 There are no equality, diversity, cohesion or integration issues arising from the recommendation.

4.3 Council policies and the Best Council Plan

- 4.3.1 Any new use in the Civic Centre will guarantee the future of the Listed building and realise a capital receipt for the City Council. A residential scheme is most likely to be of a scale to include affordable homes which supports the delivery of the Best Council Plan outcomes, in particular that everyone lives in good quality affordable homes within a clean and well cared for environment.

Climate Emergency

- 4.3.2 A new owner is quite likely to require planning permission to use the property and any planning application will have to address climate emergency issues.

4.4 Resources, procurement and value for money

- 4.4.1 The Council has no operational reason to retain the Civic Centre. It is therefore prudent economic asset management to proceed as proposed. Disposal will relieve the City Council of holding costs associated with managing the property and the best value objectives of the Council are supported.
- 4.4.2 Otley Civic Centre features in the Council's capital receipts programme and the capital receipt realised from its disposal will contribute to the Council medium term financial strategy.

4.5 Legal implications, access to information, and call-in

- 4.5.1 Under Part 3, Section 3E(g) of the Council's Constitution (Officer Delegation Scheme (Executive Functions)) the Director of City Development has authority to discharge any function of the Executive in relation to Asset Management.
- 4.5.2 The Chief Officer - Asset Management and Regeneration, Head of Asset Management and Head of Land and Property have authority to take decisions in relation to Asset Management as delegated in 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 Chief Officer Asset Management and Regeneration confirms that in her opinion the a sale by auction is a method of sale that will result in the Council fulfilling its obligation to realise the best consideration that can reasonably be obtained under Section 123 of the Local Government Act 1972 (or under the Housing Act 1985).

4.6 Risk management

- 4.6.1 Risks associated with the recommendation to sell by auction are detailed below:
- 4.6.2 The property may not sell. This is considered to be a low risk. The Council's appointed auctioneer considers the Civic Centre to be an appropriate property to be sold by auction.

- 4.6.3 A sale may not complete even though contracts were exchanged at the auction. This is considered to be a low risk, but is one that has to be considered with any sale. A purchaser has to approach the auction sale on an unconditional basis and the risk of an auction sale not completing is lower than on a conditional basis where conditions may not be satisfied and a purchaser does not then complete the acquisition.
- 4.6.4 There is a risk the reserve price is not achieved. The reserve will be set in consultation with the auctioneer prior to the auction when the level of interest witnessed from the marketing period can be assessed. The reserve price will be for approval by the Chief Officer Asset Management and Regeneration.

5. Conclusions

- 5.1 The sale of Otley Civic Centre must be concluded and a sale by auction is considered to be appropriate.

6. Recommendations

- 6.1 It is recommended Otley Civic Centre be sold by auction at a reserve price to be approved by the Chief Officer Asset Management and Regeneration.

7. Background documents¹

- 7.1 There are 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.