

Subject:	Estate Management	Status:	For Publication
Report to:	Cabinet	Date:	23 rd October 2013
Report of:	Head of Finance & Property Services	Portfolio Holder:	Finance and Resources
Key Decision:	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required:	No	Attached: No
Biodiversity Impact Assessment	Required:	No	Attached: No
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1.	RECOMMENDATION(S)
1.1	To note the progress to date on the demolition of the Rawtenstall ex-Town Hall Annex.
1.2	To approve the temporary suspension of the Purchase, Lease, Rental (PLR) scheme.
1.3	To approve the recommendations of paragraph 5.3.6 regarding the disposal of the Haslingden pool site and potentially the adjoining garages.

2. PURPOSE OF REPORT

- 2.1 To:
- update members on the demolition of the Town Hall Annex,
 - approve and consider the temporary suspension of the Council's PLR scheme and
 - approve the disposal of the Haslingden pool site.

3. CORPORATE PRIORITIES

- 3.1 The matters discussed in this report impact directly on the following corporate priorities:
- **Regenerating Rossendale:** This priority focuses on regeneration in its broadest sense, so it means supporting communities that get on well together, attracting sustainable investment, promoting Rossendale, as well as working as an enabler to promote the physical regeneration of Rossendale.
 - **Responsive Value for Money Services:** This priority is about the Council working collaboratively, being a provider, procurer and a commissioner of services that are efficient and that meet the needs of local people.
 - **Clean Green Rossendale:** This priority focuses on clean streets and town centres and well managed open spaces, whilst recognising that the Council has to work with communities and as a partner to deliver this ambition.

4. RISK ASSESSMENT IMPLICATIONS

- 4.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:
- Reputation: increase in empty buildings and service provision.
 - Legal: Ensuring due regard is given to Planning and Conservation Area matters.
 - Ensuring best value from the disposal and holding of land and buildings
 - Reduced internal capacity following staff reductions.
 - Interim and planned changes to Conservation Area / Planning consents.

5. BACKGROUND AND OPTIONS

5.1 Rawtenstall (ex-Town Hall Annex / One Stop Shop)

1. In December 2012 Full Council approved the re-location of the Council's One Stop Shop from the Town Hall Annexe to Futures Park. It was also agreed at this time that the vacated Annex should be marketed in order to seek and secure a tenant or demolished if no interest was shown.
2. The Annex has been on the market during 2013 and to-date no formal interest has been shown. We have contacted local property agents and advertised in the Estates Gazette (including their website). Officers are now putting in hand measures to demolish the building and leave a hard standing area.
3. Following some informal discussions with young people who meet on the Town Square, there has been a proposal via Rawtenstall Town Team that the hard standing and adjacent lower car park be made available for young people as an informal meeting point and skate area – however this is subject to external funding and the redevelopment plan noted below. Initially the current planned finish will be compressed hard core.
4. The costs identified for the project total £44k and includes: demolition, remediation and site surveys. The current cost estimate is more than that anticipated in 2012 due to confirmation of demolition and finishing costs. The Council's project team are aiming to demolish in the New Year of 2014 in order not to interfere with this year's Town Centre Christmas activity and to facilitate the necessary Conservation Area consent requirements. Consent area consent was submitted at the end of September 2013.
5. The site itself lies within the Rawtenstall Development Zone and will form a key part of the wider town centre redevelopment plan which is being led by the RTB Joint Venture Partnership. At the moment the RTB Partnership are in the process of selecting a team of architects to lead the designs for the redevelopment plan for Rawtenstall.
6. Various options, including refurbishment, have previously been considered by Cabinet in June 2012.

5.2 Purchase Lease Rental (PLR) Scheme

1. The Business Centre & Tenant Supervisor (BCTS) has recently resigned. Given the financial pressures, the organisation is currently facing, there is no intention to fill this 30 hrs/week post. In addition to matters noted below this does take a significant amount of administrative support out of the organisation.
2. Some of the BCTS's more minor duties can be absorbed by other members of Property Services however by far the greatest element of workload is dealing with customer enquiries to purchase or rent from Council small areas of land (garden tenancies, extensions garage sites, etc). All such transactions are time consuming and of no significant financial value to Council. (eg: a garage tenancy is currently valued at £125.00 pa). Indeed the historical granting of garden tenancies or disposals has been to the detriment of areas of land that have potential development

value – this is due to the remaining land not having straight boundaries.

3. Sundry Property Services Income:

	Legal Income	garage Income	Land Income
2010/11	1,250	27,174	23,513
2011/12	650	25,915	32,670
2012/13	625	26,763	28,122

4. The above, which indicates no significant growth in income stream over recent years, will be maintained, however, the proposal reduces associated costs (c £17k per annum).
5. Other savings and indirect benefits of note:
- Legal Services no longer drafting new tenancy agreements in this specific area.
 - Allows time for the Rossendale, Together Housing, Barnfield (RTB) development partnership to assess the various development opportunities associated with the Council's land holding.
 - Allows the Property Services team to perform an audit of its Garage and Garden tenancies / sites, in order to maximise their future value and use.
6. If agreed by Members the following communications will be published on the Council's website:
- *“Until further notice, Rossendale Borough Council is no longer taking new applications for garage sites or garden tenancies. In doing this the Council, in conjunction with its partners Barnfield construction and Together Housing, are taking the opportunity to review the Council's land holdings to ensure that their use provides the best value for both the Council and the people of Rossendale.”*

5.3 Haslingden pool site

Council in September 2013 made the decision to close Haslingden Swimming Pool. The following lists the various options for the building and site.

5.3.1 Option One

Demolish building, clear garages and redevelop for housing on a build for sale basis. The area is attractive and should support a private build for-sale development.

Two Alternatives

- Build for private housing
- Build for Social Housing

Build for Social Housing is a well proved formula but only results in moderate land values. Indicative valuations for the site are c.£65k on this basis.

The loss of the garage plots would result in a loss of rental income of c. £3,250 pa (being £125 pa x garages). Existing tenants are entitled to one to three months' notice. The garage site represents c. 50% of the combined development area

These options offer the following valuation ranges:

- Build for private housing: c £200k - £250k
- Build for Social Housing: c £65k

Other advantages:

- Growth in Council tax base
- New Homes Bonus

5.3.2 Option one (alternative end use)

Rather than development for sale an alternative end use could be:

- Build for private rented housing
- Build for Social rented Housing

The valuations however, would be as above.

5.3.3 Option Two

Seek a planning brief for change of use of building (ie conversion of the existing building structure) for commercial rented purposes (food, non-food, offices, light industrial or other) and retain garages.

The building area approx. 12.500 sq.ft. The annual rental value as refurbished building for shops, offices is approx. £125,000.

This equates to the following market values ranges of c.£1.4m less the refurbishment costs, as yet not determined but could be between £500k and £1.0m leaving a net capital value of £400k - £900k.

However, without a market appraisal it is difficult to ascertain the level of demand for commercial/retail premises in this location, although the site is in reasonable proximity to the town centre. Market testing would therefore be required.

5.3.4 Option Three

Seek a planning brief for change of use for redevelopment of the site for commercial development, small food or non- food retail outlet (office, light industrial or other). Due to car parking requirements this would require the redevelopment of the whole site and the loss of the garages. This would also entail demolition of the existing premises.

Total site area is 0.83 acres:

- Food retail is valued at c.£1m/acre, giving a site value £830k
- For Non-food Retail at c.£500k/acre, giving a site value of £415k

The loss of the garage plots would result in a loss of rental income of c. £3,250 pa (being £125 pa x garages). Existing tenants are entitled to one to three months' notice. The garage site represents c. 50% of the combined development area

However, without a market appraisal it is difficult to ascertain the level of demand for commercial/retail premises in this location. Market testing would therefore be required.

5.3.5 Option Four

Retain as a land bank under the following options:

- Leave as is – security holding costs c.10k pa (assuming the lease is retained by Rossendale Leisure Trust). Given the security risks this option would not be recommended over the long term.
- Demolish at a cost of c, £100k - £120k and land bank.

5.3.6 Recommendations

1. Seek a planning brief for change of use for the combined site (including the garage site) for both:
 - a. Commercial (food, non-food, office, light industrial or other)
 - b. Housing
2. Complete site ground surveys as to land quality (cost c £7k)
3. Seek tenders on the wider available uses following 1. above:
 - a. Commercial (food, non-food, office, light industrial or other)
 - b. Housing
4. Present tenders received and recommendations to Council for their further consideration.

COMMENTS FROM STATUTORY OFFICERS:

6. SECTION 151 OFFICER

6.1 Financial matters are noted above.

7. MONITORING OFFICER

7.1 There are no material legal implications, at this stage, arising from the report.

8. POLICY IMPLICATIONS AND CONSULTATION CARRIED OUT

8.1 There are no policy implications arising from this report. Consultation, where applicable, has previously been carried out with relevant parties.

9. CONCLUSION

9.1 The proposals and information is made in order to increase the economy, efficiency and effectiveness of the Council.

Background Papers	
Previous Cabinet and Council reports	Council website