

# **CABINET**

3<sup>rd</sup> July 2013

## **DISPOSAL OF THE COUNCIL HOUSE**

Relevant Portfolio Holder	Councillor Hollingworth
Portfolio Holder Consulted	Yes
Relevant Head of Service	Teresa Kristunas, Head of Finance & Resources
Wards Affected	All

### **1. SUMMARY OF PROPOSALS**

- 1.1 Members are requested to approve the marketing and disposal of the Council House in readiness for the vacation and move to the former Parkside Middle School, Bromsgrove in 2014/15.

### **2. RECOMMENDATIONS**

**The Cabinet is asked to RECOMMEND to Council that the Council House is marketed for disposal in readiness for the vacation and move to the former Parkside Middle School, Bromsgrove in 2014/15, and**

**that £20,000 is taken from balances to enable appropriate funds to be available for pre-sale costs.**

### **3. KEY ISSUES**

- 3.1. A Worcestershire County Council led property review supported by Bromsgrove District Council examined various public properties/facilities in Bromsgrove and found that both organisations owned a number of sites within the town, many of which were either inadequate, inefficient, or no longer suited for modern service delivery requirements.
- 3.2 The Council House was identified as no longer being fit for purpose, not cost effective to run and under occupied. It no longer provides the facilities required to provide the best possible service to customers. It also occupies an attractive site for redevelopment, in keeping with the area and Bromsgrove District Council's overall aims in relation to the regeneration of the town.
- 3.3 Parkside was identified as a site that had limited options because it was listed, and subject to a legal encumbrance that prevents the County Council from selling or letting the property for any real financial gain unless it is for educational use. If Worcestershire County Council wanted to sell Parkside it would have to offer the asset to the Church Commissioners for its original purchase price of £2,700 and would be lost to the Bromsgrove Town Centre Regeneration programme.

A report on the Redevelopment of the Former Parkside Middle School was considered by Members on the 6<sup>th</sup> February 2013 when it was agreed:

- a) To sharing 50/50 the costs of the re-development programme for the Parkside building, to be led by the County Council, with a gross estimated capital cost of £6.9 million.
  - b) To enter into a Development Agreement with Worcestershire County Council for the procurement of this project, sharing risks and costs equally between Bromsgrove District Council and Worcestershire County Council, and
  - c) To the implementation of a joint management agreement to create a Management Board to regulate the future use of the proposed joint facility and to ensure running costs are apportioned proportional to floor space occupied.
- 3.4. Progress is already underway for the redevelopment of Parkside for the future use by both Bromsgrove District Council and Worcestershire County Council. It is anticipated that Parkside will be ready to be occupied during the latter part of 2014/15. This will leave the Council House no longer required as an operational building.
- 3.5. There are numerous risks and costs associated with managing voids properties. In order to minimise the risk to the Council of managing the Council House as a void property it is considered preferable to arrange for its disposal in advance of the planned vacation in 2014/15.
- 3.6. It is proposed that the property is marketed for sale with the objective of the prospective purchaser taking possession immediately following the Council's vacation. This should minimise the risks and cost of managing the Council House as a void property.
- 3.7. It is anticipated that the site will be sold for residential use.
- 3.8. There are two separate title deeds which cover the Council House along with the car park and hostel/former CCTV room site. In total there are two net developable areas of approximately 2.5 acres and 0.7 acres and the potential for a further 0.1 acres in Shenstone Close. It should be noted that the residents of the flats to the south east of the Council House have parking rights in the adjacent car park areas. Accommodation of these rights will restrict the development of these areas.

**Financial Implications**

- 3.9. In February 2012 the Council agreed a £3.5million capital project to jointly redevelop the former Parkside Middle School, with Worcestershire County Council, in order to provide a civic centre for Bromsgrove District

Council, as well as office accommodation for both Bromsgrove District and Worcestershire County Councils. The scheme also incorporates the relocation of the Customer Service Centre, Bromsgrove Library and the Registrar's service, bringing together customer contact and service provision under one roof.

- 3.10. The relocation of staff from the Council House will create a development opportunity on the site and realise a capital receipt estimated to £2.1m.
- 3.11. Funding will be required to be made available to fund any costs associated with the pre-sale of the building. It is anticipated that these will be no more than £20k. Disposal of the property will generate a capital receipt which can be used to support the Council's cost of redeveloping the former Parkside Middle School

**Legal Implications**

- 3.12. Development of the Council House site for residential purposes will be subject to planning consent and the expectation would be that any contract for sale would be conditional on the developer obtaining a suitable planning consent.
- 3.13. While there is no inherent legal problem with the Council being both the local planning authority and the landowner, planning issues must be dealt with at arms length from commercial considerations and the planning process should be as open and transparent as possible.
- 3.14. The time that it will take a developer to obtain planning consent will need to be factored into the timetable for disposal and any delay in the planning process may result in the transfer being delayed and the Council having to manage an empty property.
- 3.15. The Council House site is subject to various covenants and third party rights. None of these present a particular obstacle to residential development and all risks associated with them will be managed through the conveyancing process.
- 3.16. At the time of the transfer of the Council House to the Council from Worcestershire County Council (1983) the Chapel building was consecrated. Officers will investigate whether the building is still consecrated and the process for de-consecration if appropriate.
- 3.17. The marketing process must be robust to ensure that best value is achieved for the land

**Service / Operational Implications**

- 3.18. Plans are already in place to relocate services from the Council House.

- 3.19. The LSVT transfer to BDHT in 2004 granted the Trust rights of way over the retained Council land together with rights to use the car parks. In addition Right to Buy leases of the flats include a right to access and park on a first come first served basis in the Council car parks.

**Customer / Equalities and Diversity Implications**

- 3.15. No direct implications.

**4. RISK MANAGEMENT**

There are a number of risks associated with managing empty properties. The main objective of arranging for the disposal of the Council House in advance of its vacation is to minimise risk.

**5. APPENDICES**

Appendix 1 – Plan of the Council House site (HW39523)  
Appendix 2 – Plan of Burcot House (HW90156)

**6. BACKGROUND PAPERS**

Redevelopment of Former Parkside Middle School, Bromsgrove (Agenda item 7, Cabinet 6<sup>th</sup> February 2013)

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