

## **BROMSGROVE DISTRICT COUNCIL**

### **COUNCIL**

21st July 2010

#### **Purchase of George House, 2 Worcester Road, Bromsgrove**

Relevant Portfolio Holder	Cllr D W P Booth (Town Centre Regeneration) Cllr J Dyer (Planning & Regeneration)
Relevant Head of Service	Head of Planning & Regeneration – John Staniland
Key Decision Yes	

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

- 1.1 This report seeks to advise the Council of an urgent decision that has been taken under the Urgent Decision Procedures to purchase the property known George House, situate at number 2 Worcester Road, Bromsgrove.

#### **2. RECOMMENDATIONS**

- 2.1 That the Council note the urgent decision taken to purchase 2 Worcester Road Bromsgrove
- 2.2 That the Council note the consequential effect to the Capital Programme and the need for it to be increased by £550k for the period 2010/11 - this being the purchase price (including all other associated costs) of the above mentioned property.

#### **3. BACKGROUND**

- 3.1 Members are aware that the redevelopment of the Town Centre is a priority for this Council and that this has been identified on many occasions by residents throughout the District.
- 3.2 Members will also be aware that the current downturn in the economic market together with the lack of properties within the town centre that are within the ownership of the Council has made this process more difficult.
- 3.3 It recently came to officers attention that the above building was being offered for sale by auction.
- 3.4 The building comprises three storeys with retail on the ground floor (presently occupied by Blockbuster) and vacant office accommodation on the upper floors and equates to accommodation of 391.7 square metres. It lies adjacent to the former market hall site and offers the opportunity to achieve a comprehensive and landmark development in this important part

## **BROMSGROVE DISTRICT COUNCIL**

### **COUNCIL**

**Date 21st July 2010**

of the town. The strategic role of the site is referred to in the Town Centre Area Action Plan (Issues & Options version) and the Bromsgrove Town Conservation Area Appraisal (Consultation Draft).

- 3.5 The date of the auction (6th July 2010) gave officers insufficient time to seek prior Council approval for the purchase of the building and therefore an urgent decision was taken in accordance with the rules set out within the Councils constitution to enable the purchase to take place.
- 3.6 Members are advised that in exercising this decision officers were mindful of recent disposals that had been effected on the Aston Fields Industrial Estate that had achieved Capital receipts in the region of £1,000,000.
- 3.7 Given the current status of the investment market at present and the inability for the Council to secure investment rates of any more than 1% it was felt that the purchase of this site in a depressed market was advantageous given the strategic advantages that the site would afford the Council within the wider Town Centre Development plan.

#### **4. KEY ISSUES**

- 4.1 The regeneration and revitalisation of Bromsgrove Town Centre is a key Council priority. The redevelopment of certain strategic sites within the town centre is seen as critical to achieving the above priority. In July 2008, the Council produced the Bromsgrove Town Centre Area Action Plan (AAP) (Issues & Options version). This identified a number of potential development opportunity sites and one such site (site 2), comprises the former Market Hall site and George House. The AAP indicates that the site provides an opportunity to develop a landmark building at the western gateway to the High Street and could attract a high quality retailer, environmental improvements and associated car-parking. In addition, it is noted that the Blockbuster building (George House), plays a very important townscape role in terminating the High Street vista (It should be stressed that this role applies to the location of the building and not its architectural merit).
- 4.2 George House lies within the Bromsgrove Town Conservation Area. The Bromsgrove Town Conservation Area Appraisal (Consultation Draft November 2009) provides an assessment of the Area's buildings, spaces, evolution and sense of place and is the first step in developing a management plan for the continued preservation and enhancement of the Conservation Area.
- 4.3 The appraisal identifies George House as lying within Character Zone 3 (Worcester Road) of the Conservation Area and indicates it is of poor

## **BROMSGROVE DISTRICT COUNCIL**

### **COUNCIL**

**21st July 2010**

architectural quality but occupies a highly visible and prominent location where the High Street is at its widest. The building is regarded as making a negative contribution to the Conservation Area. Worcester Road is identified as having the potential to be improved and there are various important views through to the former market hall site and St John's church beyond.

- 4.4 George House lies adjacent to the former market hall site. The appraisal notes that although this latter sites lies outside the Conservation Area, it could set the tone for high quality contemporary design which complements the wider historic context of Bromsgrove.
- 4.5 The purchase of George House will significantly enhance the Council's chances of securing a quality and comprehensive development in this prominent part of the town and make a significant contribution to the vitality and viability of the town centre. It will ultimately improve the street scene, enhance building frontages and make the area a more attractive place for people who live and work in the town and for visitors to the town.

### **5. FINANCIAL IMPLICATIONS**

- 5.1 The redevelopment of the Town Centre is one of the priorities of the Council and therefore it is important to demonstrate the investment of funds into this area.
- 5.2 In February 2010 the Council sold, following approval by Council, a number of industrial properties in Aston Fields as these sites did not support the priorities that had been identified. In addition the servicing and landlord responsibilities were becoming excessive.
- 5.3 The receipts of £1m have been generated and it is proposed that these are utilised to fund the purchase of the George House site. This purchase will enhance to opportunities available to develop the area as part of the Town Centre works.
- 5.4 The purchase of the site will need to be included in the capital programme and it is proposed that a value of £550k is included for 2010/11 to meet all costs and fees associated with the purchase. This will be financed from the capital receipts as identified in 5.3.
- 5.5 The Council will also benefit from the rental that is generated from the unit currently occupied of £45k pa. This will be included in the revenue income for the property once the sale is completed.

## **BROMSGROVE DISTRICT COUNCIL**

### **COUNCIL**

Date 21st July 2010

#### **6. LEGAL IMPLICATIONS**

- 6.1 In cases of urgency involving expenditure outside the budget and policy framework decisions must be taken in accordance with paragraph 5 (a) of Part Six of the Bromsgrove District Council Constitution – Budget and Policy Framework Procedure Rules,
- 6.2 Such decisions must also comply with the requirements of the Scheme of Delegation as to urgent decisions where formal reporting to Cabinet or Council is not possible due to urgency.
- 6.3 For members information, in accordance with the Constitutional requirements referred to above, the following persons were consulted and gave approval to the urgent decision;
- Chief Executive
  - The Leader of the Council
  - The Section 151 Officer
  - The Monitoring Officer
  - The Chairman of the Scrutiny Board

#### **7. POLICY IMPLICATIONS**

- 7.1 The information set out in section 4 of this report demonstrates how the purchase of the site supports the Council's policies and in respect of town centre regeneration and the enhancement of the Bromsgrove Town Conservation area.

#### **8. COUNCIL OBJECTIVES**

- 8.1 The regeneration of the town centre is a priority for the Council. It is considered that the purchase of George House will make a significant contribution towards this objective by making comprehensive development of this area more likely.

#### **9. RISK MANAGEMENT INCLUDING HEALTH & SAFETY CONSIDERATIONS**

- 9.1 The main risks associated with the details included in this report are:
- The Council was not able to carry out a full inspection of the building and hence assess liability with regard to future maintenance

## **BROMSGROVE DISTRICT COUNCIL**

### **COUNCIL**

**21st July 2010**

- Whilst the ground floor of the building is presently let to Blockbuster, the upper floors are vacant and occupation may be difficult given the poor state of the office market, should the Council wish to rent out the space.

9.2 The risks referred to above are not currently addressed by any risk register and will therefore be managed as follows:

- The building will be surveyed to assess its overall condition and make recommendations with regard to any essential works.
- Consideration will be given as to suitability of the office accommodation for letting on a short term basis

### **10. CUSTOMER IMPLICATIONS**

10.1 The redevelopment of this part of the town will enhance the attractiveness of the town and create a better environment for residents, shoppers and visitors.

### **11. EQUALITIES AND DIVERSITY IMPLICATIONS**

11.1 None identified

### **12. VALUE FOR MONEY IMPLICATIONS, PROCUREMENT AND ASSET MANAGEMENT**

12.1 The value of the site is likely to be enhanced by the fact that the Council owns the adjacent land at the former market hall site and adjoining car-park in Hanover Street.

### **13. CLIMATE CHANGE, CARBON IMPLICATIONS AND BIODIVERSITY**

13.1 None identified as a direct result of purchasing the site. However, any subsequent redevelopment of the land would need to have regard to minimising the carbon footprint and ensuring any environmental impacts are acceptable.

### **14. HUMAN RESOURCES IMPLICATIONS**

14.1 None identified

### **15. GOVERNANCE/PERFORMANCE MANAGEMENT IMPLICATIONS**

15.1 None identified

## BROMSGROVE DISTRICT COUNCIL

### **COUNCIL**

Date 21st July 2010

#### **16. COMMUNITY SAFETY IMPLICATIONS INCLUDING SECTION 17 OF CRIME AND DISORDER ACT 1998**

16.1 Such matters would need to be taken into account in the event of the building becoming vacant or if the site is subsequently redeveloped.

#### **17. HEALTH INEQUALITIES IMPLICATIONS**

17.1 None identified

#### **18. LESSONS LEARNT**

18.1 None identified

#### **19. COMMUNITY AND STAKEHOLDER ENGAGEMENT**

19.1 None identified

#### **20. OTHERS CONSULTED ON THE REPORT**

Portfolio Holder	No
Chief Executive	Yes
Executive Director (S151 Officer)	Yes
Executive Director – Leisure, Cultural, Environmental and Community Services	No
Executive Director – Planning & Regeneration, Regulatory and Housing Services	Yes
Director of Policy, Performance and Partnerships	No
Head of Service	Yes
Head of Resources	No
Head of Legal, Equalities & Democratic Services	Yes
Corporate Procurement Team	No

**BROMSGROVE DISTRICT COUNCIL**

**COUNCIL**

**21st July 2010**

**21. WARDS AFFECTED**

All wards

**22. BACKGROUND PAPERS**

Bromsgrove Town Conservation Area Appraisal (Consultation Draft  
November 2009)

**AUTHOR OF REPORT**

Name: John Staniland, Executive Director, Planning &  
Regeneration, Regulatory and Housing Services  
E Mail: [j.staniland@bromsgrove.gov.uk](mailto:j.staniland@bromsgrove.gov.uk)  
Tel: (01527) 881417