

Agenda Item No:

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Report of: Head of Land and Property
Report to: Director of City Development
Date: 18 August 2016
Subject: Former Burley Library, Cardigan Road, Burley, LS 3

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Hyde Park and Woodhouse		
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:	Rule 10.4.3 of the Access to Information Procedure Rules.	
Appendix number: 1		

Summary of main issues

- Burley library, the extent of which is shown on the attached plan, is a vacant Council owned building recently closed by the Council's library service in view of non-compliance with fire regulations.
- The building dates to 1926 and is in a dated and poor condition.
- An adjoining owner has expressed a desire to acquire the property for incorporation within existing development proposals now being advanced on their adjacent site to the north and west of the library building. Details of the adjoining owner are contained within the confidential appendix to this report.
- The building has limited potential for refurbishment or redevelopment in isolation in view of poor rear access and restricted capacity to create new on site car parking and has limited potential for alternative use within the fabric of the existing building.
- It is now proposed that the property be declared surplus to Council requirements with a view to a disposal at optimum value.

Recommendations

4. It is recommended that the subject property be declared surplus to Council requirements and be sold to the party identified and on the terms outlined in the confidential appendix to this report.
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1 Purpose of this report

- 1.1 The purpose of this report is to seek to have the subject property declared surplus to the requirements of the Council and to approve terms for a disposal of the property to an adjoining owner on a one to one basis.

2 Background information

- 2.1 Burley library is a purpose built library building dating to 1926 and constructed at both ground floor level and at a lower ground/basement level which is utilised as storage.
- 2.2 Within the basement is located an electricity substation, let at a peppercorn, the siting of which is regulated by a long lease.
- 2.3 The building takes up a large proportion of the footprint of the Council ownership and is in a poor state of repair failing also to comply with current fire regulation requirements for a publically used building. Library Services have closed the library with a view to a disposal of the property taking place.
- 2.4 No operational reason has been identified to justify retention.

3 Main issues

- 3.1 The library is dated and in a poor condition. Maintenance costs including those associated with bringing the fire alarm system back into use are considered prohibitive by library services. A fire evacuation door is also blocked.
- 3.2 Library Services have closed the building which is now let on a short term commercial basis to the proposed purchaser as a works office in connection with their own adjoining development taking place on land to the north and west of the library.
- 3.3 The Council's ownership only has access from a public highway to its front. The ownership includes a small area of sloping and tree covered land at the rear which it is landlocked with pedestrian access only being available from the basement.
- 3.4 The proposed purchaser owns a now redeveloped building to the south and a development site on land to the immediate north and west of the library which are shown on the attached plan.
- 3.5 A residential development of this surrounding land was approved several years ago and has now been commenced.
- 3.6 No viable use for the existing library building has been established and therefore it is now proposed that it be sold for incorporation within the adjoining development.
- 3.7 As an extension to the existing adjacent development, new development of the Council's ownership can be maximised by allowing access and car parking requirements to be fulfilled off site. This enables optimal levels of floor space to be created on the library site thereby maximising value to the Council from the disposal of the asset.

- 3.8 The building is no longer required for operational reasons and a disposal will alleviate the Council of security and ad hoc maintenance costs likely once the temporary use has ceased.
- 3.9 A sale on the open market for re-use of the existing building or for redevelopment in isolation is unlikely to optimise on the use of the site in either development capacity or value terms.
- 3.10 It is now proposed that the building be declared surplus to Council requirements and sold on the basis outlined in the confidential report.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Ward members and the Executive Member for Regeneration, Transport and Planning have been consulted and are supportive of a sale.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 There are no specific indicators raised by the proposal.

4.3 Council Policies and City Priorities

- 4.3.1 A disposal of the property will alleviate the Council of costs associated with holding surplus property and, as no operational reason remains for its retention, a disposal follows good asset management practice supporting best value objectives of the Council. The sale will also generate a capital receipt to the Council in support of the Council's spending programme with redevelopment for residential use complimenting housing provision objectives.
- 4.3.2 The site is "brownfield" and therefore its redevelopment will help to alleviate development pressure on green field sites supporting environmental policies of the Council.

4.4 Resources and Value for Money

- 4.4.1 A sale will generate a capital receipt and alleviate the Council of security and other holding costs supporting the Council's capital and revenue programme with an asset which otherwise presents a liability to the Council.
- 4.4.2 A recommended disposal directly to the adjoining owner creates the potential to maximise the receipt generated above that ordinarily available on the open market. This is because the adjoining ownership provides the opportunity to locate access and new car parking requirements off site allowing substantially increased floor space potential to be created on site. In these circumstances the Council generates an optimum "special purchaser" level of receipt from the sale and also makes savings on marketing the property to the open market.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 Under Part 3 Section 3E Paragraph 2(a) of the Council's Constitution (Officer Delegation Scheme (Executive Functions)) the Director of City Development has authority to discharge any function of Executive Board in relation to the

management of land (including valuation, acquisition, appropriation, disposal and any other dealings with land or any interest in land) and Asset Management.

- 4.5.2 The Chief Officer Economy and Regeneration has authority to take the decisions requested in this report under Executive functions 1 and 10 (specific to the Director of City Development) of 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 For the reasons identified above in paragraph 4.4.2 the Head of Land and Property confirms that in his opinion, the one to one negotiation method of disposal optimises the receipt generated from a sale and that the consideration detailed in the confidential appendix represents the best consideration reasonably obtainable for the property as required of the Council under s123 of the Local Government Act 1972(or the Housing Act 1985).
- 4.5.5 The information contained in the appendix attached to this report relates to the financial or business affairs of a particular person, and of the Council. This information is not publicly available from the statutory registers of information kept in respect of certain companies and charities. It is considered that since this information was obtained through one to one negotiations for the disposal of the property/land then it is not in the public interest to disclose this information at this point in time. Also it is considered that the release of such information would or would be likely to prejudice the Council's commercial interests in relation to other similar transactions in that prospective purchasers of other similar properties would have access to information about the nature and level of consideration which may prove acceptable to the Council. It is considered that whilst there may be a public interest in disclosure, much of this information will be publicly available from the Land Registry following completion of this transaction and consequently the public interest in maintaining the exemption outweighs the public interest in disclosing this information at this point in time. It is therefore considered that this element of the report should be treated as exempt under Rule 10.4.3 of the Access to Information Procedure Rules.

4.6 Risk Management

- 4.6.1 Some minor risks associated with the proposal to dispose of the property have been outlined and considered more fully in the attached confidential appendix.

5 Conclusions

- 5.1 It is concluded in the absence of an operational reason for retaining the building that the property should be formally declared surplus to Council requirements and be sold on the terms outlined and to the party identified in the confidential appendix to this report in support of those objectives detailed in paragraph 4.3 above.

6 Recommendations

- 6.1 It is recommended that the subject property be declared surplus to Council requirements and sold to the party identified and on the terms outlined in the confidential appendix to this report.

7 Background documents¹

7.1 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.