

## **REPORT TO CABINET**

**22 May 2013**

### **PROPOSALS FOR THE DISPOSAL OF THE FORMER JUBILEE BATHS SITE, NELSON PLACE, NEWCASTLE-UNDER-LYME.**

**Submitted by:** Executive Director, Regeneration & Development

**Portfolio:** Regeneration, Planning and Town Centres

**Ward(s) affected:** Town

#### **Purpose of the Report**

To seek Cabinet approval to the disposal of the above site on the terms outlined in this report.

#### **Recommendation(s)**

1. That members accept the offer to purchase from Westland's Estates Ltd.
2. That officers be authorised to complete the disposal on the terms summarised both within the report and at Appendix A (the appendix is not for publication as it contains exempt information as defined in paragraph 3 of Schedule 12A of Part I of the Local Government Act 1972).

#### **Reasons**

The offer is considered to represent market value, generating a significant capital receipt and will result in the redevelopment of the redundant swimming baths.

The disposal is in accordance with both the Council's Asset Management Strategy (in respect of surplus land/property) and Capital Strategy.

To optimise the prospects of regenerating this part of the town centre and to secure the satisfactory redevelopment of a key town centre site.

#### 1. **Background**

- 1.1. The former Jubilee swimming baths closed following the completion and opening of a replacement swimming pool and leisure facility, Jubilee 2, in December 2011.
- 1.2. Following closure, action was taken to secure the redundant building and ensure compliance with the requirements of the Council's insurance policy (relating to "Unoccupied premises"). The building was decommissioned, specialist plant was removed and any immediate asbestos issues were dealt with.

1.3. A plan showing the subject site (area - 0.18 Ha / 0.44 Ac) will be displayed at your meeting.

2. **Issues**

2.1. The former Jubilee swimming baths was built in the early 1900's. Having undergone refurbishment on several occasions it was decided, in 2004, due to age and obsolescence, along with service delivery issues, that it was time to construct a replacement facility.

2.2. In June 2011 the former Jubilee swimming baths was declared surplus and authority\* to market it for disposal was approved to take place following completion and opening of the new Jubilee 2 Health & Wellbeing Centre.

\* Previous report Cabinet 16 June 2011, item 5

2.3. The building being of 'a specialist nature' is considered incapable of conversion and re-use (although the building itself has little architectural or historic merit). Therefore its demolition and comprehensive redevelopment of the site is the only realistic/viable option.

2.4. The property occupies a prominent position on Nelson Place, a key node on the town centre ring road and in the town centre Conservation Area. The fact that it stands within a Conservation Area means that demolition cannot be undertaken without having both planning permission for a scheme of development, and a contract for that redevelopment. In consequence whilst the building remains standing there is liability to pay empty property business rates. The outcome of an appeal to the Valuation Office Agency (District Valuer) for a reassessment (i.e. reduction) of the rateable value is awaited.

2.5. Marketing for disposal has been on-going since early 2012 with a "For Sale" banner erected, particulars prepared and advertisement on the internet. Whilst there have been several expressions of interest only one, from Westlands Estates Limited (represented by Rory Mack Chartered Surveyors) has been progressed positively. Westlands Estates Ltd, have over twenty years of experience in the property investment sector within Staffordshire and they currently own and manage in excess of 20 commercial and residential property interests in the Newcastle under Lyme area.

2.6. The company's indicative development proposal for the site comprises; ground floor retail (6 units ranging in size from 65 sq ms / 700 sq ft to 230 sq ms / 2800 sq ft) with three upper floors offering 130 (approx.) self-contained student or key worker living accommodation units, being either single & double bedroom studio/study units each with on-suite.

2.7. The company say their proposal will represent a significant and major landmark development. They believe that the proposed scheme, or something very similar, provides an excellent opportunity to give the

town something that is desperately needed to both cater for the growing needs of university students and help rejuvenate the town centre by bringing people closer to it.

- 2.8. Subject to planning consent, the company's offer for the site is set out in the attached confidential appendix A. The offer is net of any costs, e.g. demolition.
- 2.9. This offer, particularly when taking demolition costs into account provides a capital receipt which is considered to represent market value and is therefore recommended for acceptance
- 2.10. The use content of Westland's proposed development is considered to be broadly acceptable in planning policy terms. However given the site's Conservation Area designation it will be necessary to secure agreement that the design, build quality, character and form of development will compliment and enhance the appearance of the Conservation Area. Additionally, it will be necessary for the prospective purchaser/developer to clarify the nature of the ground floor uses to comply with national and local policies in relation to retail development. Westlands Estates Ltd. have yet to have direct discussions with officers of the Planning Service and no elevational details have yet been tabled. At this stage the company is seeking the Council's decision, in principle, to dispose of the property to them in order that they can proceed with the preparation of detailed plans that would facilitate discussions with the Council as local planning authority.

### 3. **Options Considered**

- 3.1 The key options for consideration are:
  - (a) Accept the offer – proceed to an exchange of contracts, with completion subject to planning permission.
  - (b) Decline the offer – continue to market the site for disposal in the hope that a higher offer is received.

### 4. **Proposal**

- 4.1 Option (a) is preferred because it is considered the sum offered represents the market value of the site.
- 4.2 The sale will result in the redevelopment of the redundant swimming baths site.
- 4.3 Upon completion of the sale the Council's liability to pay empty rates will cease, along with other costs arising from holding a redundant building.

### 5. **Reasons for Preferred Solution**

- 5.1 The Council has a duty to both achieve 'best consideration' in the disposal of the site and to use its best endeavours to secure a form of

redevelopment that will not only enhance the Town Centre Conservation Area but also benefit the local economy.

6. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

- 6.1 Proposals for the redevelopment of this site fall squarely within the Council's priority of 'Creating a Borough of Opportunity'. It will also have implications for the Council's policies on the environment and sustainability. Furthermore the outcome of any disposal decision would align with the Council's commitment to manage resources efficiently.

7. **Legal and Statutory Implications**

- 7.1 The Council is not under any statutory duty to act but is under a duty to seek 'best consideration' when disposing of any land.

8. **Equality Impact Assessment**

No discernable differential impact has been identified by the possible disposal of this site.

9. **Financial and Resource Implications**

- 9.1 A capital receipt will be realised from the disposal of the site.
- 9.2 The sale of this redundant asset will bring to an end holding cost liabilities.

10. **Major Risks**

- 10.1 There is the risk of delay when trying to ensure that all planning regeneration objectives are realised and the potential to create tensions between the need for quality and the councils desire to secure a capital receipt
- 10.2 Uncertainties over the level of occupier demand for the proposed new development may delay or even prevent realisation of the sale
- 10.2 The consequential unsatisfactory appearance and general deterioration of the building while it is awaiting redevelopment and mitigation costs arising from the need to deal with this.

11. **Key Decision Information**

- 11.1 This proposal will, upon completion of the sale, provide a significant capital receipt for the council.