

<b>Subject:</b>	<b>Tower House Project – disposal of properties</b>
<b>Director/Head of Service:</b>	Head of Property and Engineering Services
<b>Decision Issues:</b>	These matters are within the authority of the Executive
<b>Decision type:</b>	Non-key
<b>Classification:</b>	This report is open to the public
<b>CCC Ward(s):</b>	<b>Westgate</b>
<b>Summary:</b>	<i>The proposals to improve and possibly extend Tower House assume that funding will be generated from the sale of some properties in the vicinity. The report seeks authority to offer the properties for sale to support the project and ring-fence the proceeds for this purpose.</i>
<b>To Resolve:</b>	<b>That the Head of Property and Engineering Services be authorised to offer the properties referred to for sale by auction at an appropriate time and the proceeds be ring-fenced for use on repairs and improvements to Tower House.</b>
<b>Next stage in process</b>	<b>Prepare auction details</b>

## **SUPPORTING INFORMATION**

### **1. Introduction**

Tower House is a Grade II listed building, which currently acts as the base for the council's Lord Mayor and hosts some member and senior officer meetings. The building is not DDA compliant, and its size and character severely restrict its use.

In 2006, the Executive opted to develop a scheme to improve disability access and build a multi-purpose extension to the building to provide capacity for 70-100 people. Tower House would then be one of the few venues in the city with the quality and setting appropriate for formal council and private functions. The vision is that private hire would offset running costs.

Previous designs progressed as far as seeking planning permission in 2007 and 2010. However both applications were deferred after concerns were raised by English Heritage and Development Control Committee.

A new Member Working Party was established and met in March 2011 to revisit the project and consider new sketches.

### **2. Detail**

The funding required to extend Tower House was to be secured from the sale of a number of properties adjacent to and within Westgate Gardens, which were bequeathed to the council by the Williamson family. Two of the properties (the 'barn' and the yard) are used by Serco in connection with the maintenance of Westgate Gardens and alternative arrangements will have to be made for the remainder of the current contract. The third property (Ivy Cottage) is empty.

Legal advice has confirmed that there are no legal constraints within the bequests that would prevent the council from selling these properties.

Budget projections for the project have been revised to take account of the proposed designs and latest advice from the auctioneer on the value of the assets.

There is a high level of risk in estimating sales receipts. Previous figures suggested that, in a buoyant market, there would have been a strong possibility that the estimated total expenditure of the project would be covered by income from asset sales. However, this may no longer be the case.

In order to bring some certainty to the budget process it would seem prudent to sell the properties now and ring-fence the proceeds for this project. This would enable any potential shortfall to be more accurately assessed.

The experience with recent disposals of property has shown that, notwithstanding the current economic climate, good prices can be obtained from offering properties by sale by auction and, given the nature of the properties concerned, this is likely to be the most appropriate way of selling them.

The Executive is asked to give authority for the properties to be placed in the next suitable auction.

### **3. Relevant Council Policy/Strategies/Budgetary Documents**

#### **Draft corporate plan pledges**

- We will support the growth of our economy and the number of people in work
- We will tackle disadvantage within our district
- We will encourage greater involvement for local people
- We will support facilities and activities for children and young people
- We will support excellent and diverse cultural facilities and activities for our residents and visitors
- We will support a broad range of sporting and fitness facilities and activities

#### **Community Development Strategy**

- 1.3 – To develop community infrastructure to improve the quality and range of facilities accessible to communities

#### **Local Plan**

The heritage and conservation objectives of the council are to preserve and enhance character or appearance of conservation areas, listed building etc

#### 4. **Consultation planned or undertaken**

A member working group was established to steer the project and extensive discussions have been held with English Heritage.

#### 5. **Options available with reasons for suitability**

- a) To approve the sale of the properties by auction or by another method. This will enable funds to be realised and a more accurate budget to be prepared.
- b) To not approve the sale and defer offering the properties on the market until another time.

#### 6. **Reasons for supporting option recommended, with risk assessment**

Sale of the properties would secure funds that could be ring-fenced to bring some certainty to the Tower House project budget. The main risk is that the project is delayed for some time during which property values may increase but no accurate prediction can be offered about the likelihood of this.

#### 7. **Implications**

##### (a) Financial Implications

The properties are not generating income at present and represent a maintenance liability. This will be removed if they are sold. The receipts will be ring-fenced, either for immediate works needed to the building or for improvements in the future if these are approved. An auction fee will need to be paid on disposal.

##### (b) Legal Implications

There are no legal constraints on the council that prevent it from selling the properties.

##### **Other implications**

##### (c) Staffing/resource

##### (c) Property Portfolio

The disposal of the properties involved will mean resources can be targeted to the priority project within the ring fenced budget.

##### (e) Environmental/Sustainability

##### (f) Planning/Building Regulations

Planning permission has not been sought for adaptations or development of any of the properties as prospective buyers may have different ideas about how value might be realised from the properties in future.

#### 8. **Conclusions**

The sale of the property is recommended as this will enable any shortfall of funding for the Tower House project to be more accurately quantified.

**Contact Officer: Owen Croft Telephone: 862091**