

Key Decision Required:	Yes	In the Forward Plan:	Yes
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CABINET

4 OCTOBER 2013

REPORT OF THE FINANCE AND ASSET MANAGEMENT PORTFOLIO HOLDER

A.5 OFFICE SITES AT CLAY HALL, WADDESDON ROAD, TRIANGLE CENTRE AND WESTLEIGH HOUSE: NEXT STEPS

(Report prepared by Andy White)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To consider how to approach the disposal of redundant office buildings after vacation by the Council.

EXECUTIVE SUMMARY

The Council has the freehold ownership of all of the sites. All have been vacated by the Council. Retention of redundant buildings requires management and ongoing funding. The disposals process was initiated in general terms for office buildings on 15 June 2012 (decision 2185). Initial consultation and investigation has highlighted the potential disposal options. It is now proposed to make a specific decision in respect of each of the sites in order to progress the disposals.

RECOMMENDATION(S)

a) That Cabinet confirms the initiation of the disposals process for three sites as follows:

- 1. Clay Hall – Disposal, potentially for future residential use.**
- 2. Waddesdon Road – Disposal, potentially for future residential use.**
- 3. Triangle Centre – Disposal, potentially for shared service use.**

All subject to further decision following the progression of the disposals process.

b) That Cabinet approves the seeking of planning and other necessary consents and procedures necessary and subsequently for the demolition of Westleigh House and the use of the land to extend the car park.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The buildings are unsuitable for ongoing Council use. Retaining redundant buildings is costly. Disposal will yield some capital receipt that can support other priorities. Westleigh House site may be of strategic importance to Town Centre regeneration plans.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The buildings are operated and maintained by the Council. Recent running costs exceed £80,000 per year. Any capital receipt can be used to support the Council's Capital Programme. Demolition and reinstatement costs for Westleigh House are likely to amount to a similar figure to the annual running costs and therefore that the costs are met from existing budgets.

Risk

The management of the vacation of these sites carries potential risks from a range of sources. These risks are the subject of detailed consideration later in this note

LEGAL

Section 123(1) Local Government Act 1972 indicates that, a local authority may dispose of land held by it in any way it wishes so long as the land is disposed for a consideration not less than the best that can reasonably be obtained.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Clay Hall

The Council holds the freehold ownership of a substantial area including Vista Road Recreation Ground, Clacton Leisure Centre, Clacton Sports Club and Clacton Rugby Club associated car park and facilities. Within this stands Clay Hall together with its own car parking.

The building is a Victorian or Edwardian villa converted to changing rooms on the ground floor with offices above. All of the facilities are run down, difficult to access and are not DDA compliant. All of the facilities are disused.

Clay Hall stands exposed to the public areas and does attract vandalism and antisocial behaviour which is costly to the Council and annoying for the neighbours. It is not readily adaptable to meet the requirements of the Equality Act 2010. There is a permanent macadammed car park surface adjoining and a permanent grass overflow car park associated with the building. Alternative car parking is available at the Leisure Centre and near to the Rugby Club and these areas are therefore unlikely to be needed in the future.

Waddesdon Road

The Council holds the freehold ownership of a wider area which includes a sheltered housing scheme backing onto the site. The office building is linked to the sheltered scheme at the rear but has potential parking and gardens to the sides.

The building is a late 20th Century single storey structure in sound condition. It is located in a residential street with residential uses all round.

Triangle Centre

The Council holds the freehold to the wider building including the disused former cash office and areas let to the Town Council.

The building is a mid-late 20th century part two storey structure. Previous structural issues have been resolved. It is located within the wider shopping centre that is owned by a major retailer. Retail and commercial uses surround the building.

Westleigh House

The Council holds the freehold ownership of a substantial area including High street car par, multi storey structure and public conveniences. Within this stands Westleigh House together with its own car parking.

The building is an Edwardian boarding house converted to offices. The facilities are inefficient, unsuitable and not DDA compliant and have been vacated. It is not readily adaptable to meet the requirements of the Equality Act 2010. There is a permanent macadammed car park surface adjoining and associated with the building.

There may be potential to use this site as part of proposals for the Civic Quarter or for a housing development. At present neither of these potential uses have matured into a proposal. In both cases demolition of the existing building would be required. At present the building is a financial and potential safety liability. Accordingly it is proposed to demolish it and use the site for parking pending any further proposals.

CURRENT POSITION AND PROPOSAL

Appendix A sets out an options appraisal for each of the sites. In each case the figures set out are preliminary estimates and will be subject to the Council's normal procurement and disposal processes in order to ensure value for money is achieved.

BACKGROUND PAPERS FOR THE DECISION

None.

APPENDICES

Appendix A – Options appraisals

Clay Hall**Options**

Option	Contribution to Corporate/strategic goals	Capital cost (receipts shown as negative)	Revenue Effect (compared with existing)	Other
Reoccupy	No clear contribution	£150,000	£0	Significant structural repairs would need to be addressed. The building is unsuitable for modern office use.
Mothball	No clear contribution	£6,000	-£4,000	Mothballing the building would involve revenue costs. It is unlikely that a future need for the building will emerge.
Let	No clear contribution	£150,000	-30,000	It is unrealistic to anticipate a significant income from the site without investing heavily in repairs and upgrading.
Sell/develop	Contribution to financial sustainability,	-£150,000	-£17,000	Allowed as a conversion for four flats with planning permission. See note on planning below.
Demolish	No clear contribution	£25,000	-£17,000	Demolition might affect future potential of the land.

Issues:

Planning: No need for permission to use mothball or let it as it is. Demolition or any alternative use would require planning permission, residential or leisure uses compatible with adjoining dwellings are likely to be acceptable. But: Enhanced Capital receipt could be gained by including the overflow car park, subject to planning.

Waddesdon Road

Options

Option	Contribution to Corporate/strategic goals	Capital cost (receipts shown as negative)	Revenue Effect (compared with existing)	Other
Reoccupy	No clear contribution	£0	£0	N/A
Mothball	No clear contribution	£2,000	-£3,000	Mothballing the building would involve revenue costs. It is unlikely that a future need for the building will emerge.
Let	No clear contribution	£0	-11,000	The building could be let to a small business but local demand for commercial property is very low and a long term beneficial use may be unrealistic.
Sell	Contribution to financial sustainability,	-£50,000	-£8,000	Allowed as a site for conversion to one small bungalow with parking and garden with planning permission. See note on planning below.
Demolish	No clear contribution	£15,000	-£8,000	If unused the site may become a nuisance to neighbours.

Issues:

Planning: No need for permission to use mothball or let it as it is. Demolition or any alternative use would require planning permission, residential or good neighbour commercial use likely to be acceptable.

Triangle Centre

Options

Option	Contribution to Corporate/strategic goals	Capital cost (receipts shown as negative)	Revenue Effect (compared with existing)	Other
Reoccupy	No clear contribution	£0	£0	N/A
Mothball	No clear contribution	£6,000	-£2,000	Mothballing the building would involve revenue costs. It is unlikely that a future need for full TDC occupation will emerge.
Let	Potential commercial or community use.	£6,000	- £8,000	Some potential to let commercially at this level if the area is formally separated from the Town Council area. The Town Council have expressed a wish to create a small service hub together with the police and TDC. Proposals are being formulated.
Sell	No clear contribution	Subject to tender	-£6,000	It may be possible to sell the freehold of the whole building either to the Town Council or to the adjoining retail owner, subject to the Town Council's lease.
Demolish	No clear contribution	N/A	N/A	It would be impractical to demolish part of the building.

Issues:

Planning: No need for permission to use mothball or let it as it is. Any alternative use would require planning permission.

Westleigh House

Options

Option	Contribution to Corporate/strategic goals	Capital cost (receipts shown as negative)	Revenue Effect (compared with existing)	Other
Reoccupy	No clear contribution	£25,000	£0	It would be necessary to address maintenance and accessibility issues. The building is unsuitable for modern office use.
Mothball	Potential accommodation for decanting related to Hub project	£12,000	-£10,000	Mothballing the building would involve revenue costs. It is unlikely that a future need for full TDC occupation will emerge.
Let	No clear contribution	£0	-£50,000	It may be unrealistic to expect to let this quality of office at significant rent in the current market?
Sell	No clear contribution	-£180,000	-£43,000	Allowed as a site with planning permission for six flats. This level of receipt might be hard to realise in this location and market.
Demolish	Short term parking increase. Potential future redevelopment in hub or Town Centre projects.	£25,000	-£43,000	The Council is separately considering the centralisation of its functions in Clacton. This is likely to increase demand for parking. There may be other options for service delivery but these would involve a new suitable building.

Issues:

Planning: No need for permission to use mothball or let it as it is. Demolition or any alternative use would require planning permission, proposals in line with Clacton Area Action Plan are likely to be acceptable. But: would use as car park generate a loss-of-parking argument when it comes to redevelopment?