

REPORT FROM: CHIEF EXECUTIVE

TO: POLICY AND RESOURCES COMMITTEE

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ELLIOTT HOUSE, NELSON

PURPOSE OF REPORT

Members are recommended to declare the above vacant Council Office building surplus to requirements.

RECOMMENDATION

That this Committee declares the above building surplus to requirements and delegates authority to the Chief Executive to agree terms for a lease or disposal as appropriate.

REASON FOR RECOMMENDATION

To avoid ongoing financial and maintenance liabilities for this vacant building and either provide rental income if leased or a capital receipt if sold.

BACKGROUND

1. Elliott House was acquired in 1954 for Council Office use and was extended in 1991.
2. Members are aware that as part of the Council's rationalisation programme, for staffing levels and office space utilisation, the above office building has recently been decanted and is now vacant and surplus to operational requirements.

ISSUE

3. The Council have no current or foreseeable operational use for the building and although vacant the Council is liable for costs attributable to maintenance, insurance, utilities and business rates.
4. When the Council acquired interests in Number One Market Street and the ACE Centre from Barnfield an option was agreed whereby, if triggered, Barnfield, would acquire Elliott House from the Council at Market Value. The Council is not under an obligation to trigger this option and therefore it may consider this and all other options available.

5. It is in the Council's interest to offer the building to the market and either;
 - secure a tenant to avoid or off-set running costs from rental income, or
 - secure a sale of the building to completely remove any financial liability for running costs and other physical and legal responsibilities as set out above.
6. If the property is declared surplus Members are asked to delegate authority to the Chief Executive to determine whether to trigger the option for Barnfield to purchase the building or whether to lease the building or dispose of it on the open market. Members are also asked to delegate authority to the Chief Executive to agree suitable terms and conditions as required for the preferred option and to agree the level of rental income or amount of capital receipt as appropriate.
7. Members are also advised that if the building is declared surplus the Council may be required, as an authority which has signed up to the One Public Estate programme, to record the surplus nature and availability on the Government's Electronic Property Information Mapping Service (e-PIMS) where other public sector body member may show interest in acquiring the property before it is offered to the general market.

IMPLICATIONS

Policy: The Council seeks to identify surplus property for inclusion in its disposal programme in order to achieve capital receipts. The Council also maintains within its property portfolio, land and buildings which may generate rental income and provide accommodation for local businesses and community groups.

Financial: Selling this land will generate a capital receipt for the Council and also relieve it of any future maintenance liability or running costs. Agreeing a lease of the property will generate a revenue stream which the Council may reinvest into local services and relieve itself of any future maintenance liability or running costs.

Legal: No legal implications are considered to arise directly from this report.

Risk Management: On disposal of the building the financial and legal risks and liabilities will cease for the Council. Where a lease is granted risks and liabilities can be transferred to the tenant for the duration of the lease.

Health and Safety: See Risk Management

Sustainability: No implications are considered to arise directly from this report

Community Safety: No implications are considered to arise directly from this report

Equality and Diversity: No implications are considered to arise directly from this report

APPENDICES

None

LIST OF BACKGROUND PAPERS

None