

**REPORT FROM:** HOUSING HEALTH AND ENGINEERING SERVICES  
MANAGER

**TO:** POLICY AND RESOURCES COMMITTEE

**DATE:** 25<sup>TH</sup> NOVEMBER 2021

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**2B KEIGHLEY ROAD, COLNE**

#### **PURPOSE OF REPORT**

To report offers received for the property shown edged black on the plan further to it being advertised for sale.

#### **RECOMMENDATION**

That Members consider the four offers which have been submitted and agree which offer to accept.

#### **REASONS FOR RECOMMENDATION**

- (1) A sale of the property would result in a capital receipt, removal of a maintenance liability and a problem building being redeveloped or improved.
- (2) Members are requested to agree which offer to accept as since the property has been vacant Councillors have raised concerns about its poor condition a number of times and it has been identified as a problem building.

#### **BACKGROUND**

1. The property was used for a number of years as a nightclub and the most recent tenant vacated in 2017 after being in occupation for 4 years due to issues with rent arrears which he reported had been due to a lack of trade.
2. Most of the window openings at the property are blocked up due to its use as a nightclub and it has not been upgraded for some time. 2B Keighley Road and the adjoining privately owned Tower Building were identified by Colne Town Council in 2018 as being problem buildings.
3. There was interest from two separate parties in 2018 to purchase the property for redevelopment which was referred to the Policy and Resources Committee on 28<sup>th</sup> June

2018. The resolution was that the Chief Executive be authorised to invite proposals from the two interested parties, but these did not materialize.

4. Since 2018 the property has remained vacant and there have been concerns from members of the public and Councillors regarding its condition and future use. It was resolved by The Policy and Resources Committee on 24<sup>th</sup> June 2021 that the property be declared surplus to requirements and marketed for sale for redevelopment.
5. In August 2021 Liberata Property Services advertised the property for sale on an offers invited basis by informal tender with a closing date of 8<sup>th</sup> October 2021. The property is to be sold under a development agreement which requires the purchaser to obtain planning permission and complete the redevelopment or renovation works prior to completion of sale. This is to ensure that the property is redeveloped or refurbished and brought back into use.
6. At the closing date of 8<sup>th</sup> October 2021 two offers had been received, and late offers were received by two other parties on 11<sup>th</sup> and 13<sup>th</sup> October 2021. The offers are summarized below.

Offer 1 (late offer) - £37,500. Offer from two individuals to create 4 apartments. The works are proposed to be completed within nine months of Planning Permission being granted. They have not provided any estimated costs for the works and say that this is due to them not having viewed the premises and the changing costs of building materials.

Offer 2 - £65,000. Offer from a development company to refurbish the property to bring it back into use as a nightclub with works to be completed within 12 months for which they have provided estimated costs. If it is not successful as a nightclub they are proposing to create residential accommodation for tenant occupation.

Offer 3 – Late offer of £40,000 from two individuals to refurbish the property to bring it back into use as licensed premises for which they have not provided any estimated costs or timescales for the works. The offerors have experience of regenerating licensed premises and were responsible for the regeneration of a restaurant and bar on Albert Road in Colne.

Offer 4 – Late offer of £30,000 from a development company who had previously submitted their interest in 2018. The proposal is to create retail space to the ground floor and two flats to the first floor for tenant occupation with the works to be completed within 18 months of Planning Permission being granted, and they have provided estimated costs for the works. The offeror owns the works premises and yard which directly adjoins 2B Keighley Road at its Eastern boundary, and they have submitted a planning application for demolition of the premises and construction of a two storey building with retail to the ground floor and flats to the first floor.

7. The Councils Planning Department have confirmed that in principle retail to the ground floor and residential to the first floor would be acceptable, and this is considered to be a more sustainable use than it being brought back into use as licensed premises. Offer 4 is a late offer and at the lowest amount, but is considered to be the best proposal as it may also result in the adjoining site being redeveloped. In addition the other offerors would have to secure rights over the adjoining land to carry out their proposed works, but offeror 4 would not need to secure such rights.

8. The property has been declared surplus to requirements and offers have been received further to it being marketed for sale. Disposal of the property under a development agreement would result in a vacant property being redeveloped or brought back into use

## IMPLICATIONS

**Policy:** The Council seeks to identify surplus property for inclusion in its disposal programme in order to achieve capital receipts. The property is to be sold under a development agreement.

**Financial:** A capital receipt and no further liabilities for the Council.

**Legal:** The successful offeror will be required to enter into a development agreement with the Council. This will require the purchaser to complete the redevelopment or renovation works to a certain standard within a set timescale and prior to the sale being completed.

**Risk Management:** On disposal of the property all risks and liabilities will cease for the Council

**Health and Safety:** No implications are considered to arise directly from this report.

**Climate Change:** No implications are considered to arise directly from this report

**Community Safety:** See risk management

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

## APPENDICES

Location plan

## LIST OF BACKGROUND PAPERS

None