

REPORT FROM: HOUSING HEALTH AND ENGINEERING SERVICES
MANAGER

TO: POLICY AND RESOURCES COMMITTEE

DATE: 26TH MAY 2022

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43A MARKET STREET, COLNE

PURPOSE OF REPORT

To recommend that Members declare the upper floors of the property shown edged black on the plan surplus to requirements further to a resolution from the Area Committee.

RECOMMENDATION

That the property be declared surplus to requirements and that the Chief Executive be authorised to negotiate a private treaty leasehold sale with an interested party, and if terms are not agreed that it be marketed for sale.

REASON FOR RECOMMENDATION

A sale would result in a capital receipt, removal of a maintenance liability and a Town Centre property being improved. It is recommended that the land be sold on a long leasehold rather than a freehold so that covenants would be easier to enforce in the event of them being breached.

BACKGROUND

1. The Council own 43 Market Street which is occupied by Betfred and No.43A is to the first and second floor with a separate access from Market Street. 43A Market Street was occupied for a number of years by a meals on wheels business, and the tenant vacated in January 2016.
2. Shortly after the tenant vacated there was a roof leak which caused a ceiling to collapse and other damage inside the property, and it had also affected the Councils tenant to the ground floor at 43 Market Street. Works were carried out by the Council to 43A Market Street to make the property watertight.
3. Further substantial works (included re-plastering and decoration and re-wiring of the electrical installation) would be required to make it suitable for re-letting as an office, but

with no guarantee of re-letting as there is low demand for offices particularly to upper floors without disabled access and also since the Pandemic due to more Home Working.

4. There has been no interest in the property since May 2018, and as a result of it being empty it has been broken into on more than one occasion, windows have been smashed by vandals and security concerns have been raised by Betfred. The front door and rear windows have been boarded up to prevent further issues.
5. There has been recent interest in purchasing the property from a development company which is currently renovating the adjoining former Blockbusters building. The proposal is to purchase the property to renovate it to create flats, and the Councils Planning Department have confirmed that in principle residential flats would be acceptable.
6. On 31st March 2022 Colne and District Committee were recommended to request that the Policy and Resources Committee declare the property surplus to requirements and for the Chief Executive to be authorised to negotiate a private treaty sale, and if terms were not agreed for it to be marketed for sale. Colne and District Committee agreed with the recommendation.

ISSUES

7. Disposal of the property for redevelopment would allow a vacant property to be brought into use and result in an improvement to Colne Town Centre.
8. If the property is declared surplus then negotiations could take place with the adjoining property owner and subject to satisfactory negotiations disposal through a development agreement could take place. If negotiations are unsuccessful then it could be advertised for sale on the open market by informal tender under a development agreement and subject to the purchaser obtaining Planning permission if this is required for the proposed use. A development agreement would require a purchaser to complete the renovation works prior to completion of sale.
9. The Council own 43 Market Street which is to the ground floor, and if 43A Market Street is sold on a long leasehold and there are issues which affect No.43 this would make it easier to enforce covenants than if the freehold was sold.

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 improvement 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