

CHESHIRE EAST COUNCIL

REPORT TO PORTFOLIO HOLDER – REGENERATION AND ASSETS

Report of: Executive Director of Economic Growth and Prosperity

Subject/Title: Sale of Crewe Swimming Pool, Flag Lane, Crewe

Date of Meeting: 5th October 2015

Portfolio Holder: Councillor Don Stockton - Regeneration and Assets
Portfolio Holder

1.0 Report Summary

- 1.1 The purpose of this report is seeking approval to declare the property known as Crewe Swimming Pool surplus to the requirements of Cheshire East Council and to dispose of the property on the open market by the most appropriate method of sale, instruct legal services and proceed to legal completion.

2.0 Recommendation

- 2.1 That the Council declare the property surplus to requirements and dispose of the property on the open market by sale by private treaty on terms and conditions to be agreed by the Assets Manager and Head of Legal Services.
- 2.2 Further to 2.1 to seek the necessary approval to instruct Legal Services to prepare the contract documentation and proceed to legal completion on terms and conditions to be agreed by the Assets Manager and Head of Legal Services and Monitoring Officer.

3.0 Reasons for Recommendation

- 3.1 The property is included within the Council's disposals programme with an anticipated completion of sale in the 2016/17 financial year and the sale of the property will make a contribution towards the Council's current 3 year disposals target.
- 3.2 The existing swimming pool at Flag Lane will be surplus to requirements once the new Crewe Lifestyle Centre is complete and open for business in 2016 and once the Flag Lane site is vacated the Council will be left with an empty asset and incur holding costs and liabilities.
- 3.3 The Council are looking at reducing its expenditure on its surplus assets; therefore in allowing the early marketing of this property and proceeding with an acceptable offer (if received) will enable the Council to eliminate or reduce the high holding costs associated with a building of this size.

- 3.4 In considering the land surplus to requirements and suitable for disposal it has been determined that:
- a) the property will make no contribution to the delivery of the Council's services, strategic or corporate objectives
 - (b) the income being generated from the site will reduce to zero in the immediate future and an alternative site, as indicated, which will be more cost effective in delivering the service
 - (c) It has no potential for strategic or regeneration/ development purposes in the near future
 - (d) it will not contribute to the provision of a sustainable pattern of development
 - (e) it makes no contribution to protecting or enhancing the natural, built and historic environment, including making no contribution to helping improve biodiversity.
 - (f) alternative provision of equivalent community benefit is being made in the locality, and to continue the user would result in an excess of provision for sport, recreation or leisure.
 - (g) the asset can be better utilised for regeneration of the area.

4.0 Wards Affected

- 4.1 Crewe West

5.0 Local Ward Members

- 5.1 Councillors Jill Rhodes and Brian Roberts

6.0 Policy Implications

- 6.1 There are no perceived policy implications.

7.0 Implications for Rural Communities

- 7.1 There are no implications for rural communities.

8.0 Financial Implications

- 8.1 A sale of the property will result in the Council reducing its holding costs for the property and receiving a capital receipt. The sale is likely to be subject to any buyer obtaining planning permission and therefore likely to complete within the 2016/17 financial year.

9.0 Legal Implications

Disposals will be subject to means of accountability to include best value being obtained. State Aid considerations may fall to be considered, and in some transactions the complexity may involve procurement legislation, application of the contract procedure rules, and for due diligence information/material, depending on each

particular set of circumstances. When the method of disposal has been determined and terms of sale agreed specific tailored advice will be given on how to manage and achieve the disposal within legal constraints.

As this could be a sale at less than best value it should be noted that generally the Council is permitted to dispose of its land by s1 of The Localism Act 2011 and s123 of the Local Government Act 1972. S123 of the Local Government Act 1972 provides that a local authority may dispose of land in any manner they see fit subject to it obtaining the best price reasonably obtainable for the transaction.

The Council has no power to dispose of the property unless it secures the best consideration reasonably obtainable unless it has Secretary of State consent or if it can rely on the General Disposal Consent 2003.

If the Council intends to rely on the General Disposal Consent 2003 then assuming that the Council is satisfied that the well being objective is met, the difference between the unrestricted value of the interest to be disposed of and the consideration accepted would have to be less than £2 million. This will particularly need to be considered should the price offered be less than best consideration due to any conditions attached to the sale of the property.

Notwithstanding the above powers the Council has a fiduciary duty to the taxpayers and must fulfil this duty in a way which is accountable to local people.

10.0 Risk Management

- 10.1 There are no risk management issues associated with the proposed disposal.

11.0 Background

- 11.1 The site extends to approximately 1.154 acres and is situated within a residential area.
- 11.2 The property comprises of a public swimming pool and gymnasium, on a site of approximately 0.467 ha (1.154 acres). It is located approximately 0.5 miles from Crewe town centre in a relatively low value residential area.
- 11.3 Situated immediately to the south, are a semi-dilapidated basketball court and Valley Park, which provides a children's play area and an area of public open space. This land and facility will remain within the Council's ownership and management. This open space land is not affected by the proposed disposal and is not at this time regarded as surplus to requirements.

- 11.4 Whilst the swimming pool remains operational at present, it is due to close in 2016 when the new Crewe Lifestyle Centre opens, which will provide a new swimming pool and gymnasium facilities.
- 11.5 The main section of the site is not allocated for any specific use under the current Crewe and Nantwich Local Plan and the Emerging Local Plan. Valley Park and the basketball court are both designated as Informal Open Space within a Hazardous Installation Consultation Zone and contain a water course and culverted stream. These areas will be retained by the Council for their existing use and provision of open space and community areas.
- 11.6 Any planning consent for redevelopment of the site could involve the developer contributing to an upgrade to the adjacent community areas, however, this would be dealt with as part of the planning process for the site.
- 11.8 The Council's planning department may impose a condition that the future use retains the front façade of the building (The Building was given locally Listed Status in October 2010). This would result in a condition being imposed upon any buyer of the property and is therefore likely to reduce the value of the property and result in a sale at '*less than best consideration*'. The potential reduction in value as a result of this condition will be quantified following the marketing process once offers are received with the sums documented at this time.
- 11.9 Offers will be assessed using a decision making matrix under the following criteria (in no particular order): price offered, likelihood of proposed development obtaining planning consent, retention of façade, evidence of finance, and previous experience of similar development of the purchaser.
- 11.3 There is a lease in place in relation to the property to Everybody Sport & Recreation (ESAR) for the purpose of providing the leisure service for the Council; however it is intended that the lease will be surrendered prior to disposal of the property to allow for vacant possession on completion of a sale. A separate paper has been prepared in relation to the lease surrender.

12.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer