



**Council Cabinet
3 August 2022**

ITEM 10

Report sponsor: Simon Riley Strategic Director
for Corporate resources.
Report author: John Sadler Strategic Asset
Manager.

Property Transactions

Purpose

- 1.1 To seek cabinet approval to declaring several property assets surplus to requirements and their subsequent disposal.

Recommendation(s)

- 2.1 To approve the following assets as surplus to operational need: -
 - i. The Rycote Centre as shown in Appendix 1
 - ii. The land at Bridge Street as shown in Appendix 3.
- 2.2 To approve the disposal of the following assets: -
 - i. The Rycote Centre as shown in Appendix 1.
 - ii. The land at Bridge Street as shown in Appendix 3.
- 2.3 To delegate authority to the Strategic Director of Corporate Resources following consultation with Cabinet Member of Finance, Digital and Culture to agree the detailed terms of the disposal of the properties listed in paragraph 2.2 and in respect of the Rycote Centre the terms relating to the relocation of Derby Deaf Club.

Reason(s)

- 3.1 To accelerate the disposal programme to support the Council's MTFP through the generation of capital receipts and minimise costs whilst ensuring that property assets have the relevant authority to be released as efficiently as possible in line with the principles of the Council's Corporate Asset Management Plan.
- 3.2 To ensure that the capital receipts are generated for the Council and that associated costs and liabilities from holding properties (including vacant properties) are extinguished as soon as possible.
- 3.3 To provide a balance between the need to dispose of properties as quickly as possible against the need to seek Cabinet's approval to individual property sales.

- 3.4 To allow the timings of sales to be varied to enable the Council to react promptly to changing market conditions and to deal effectively with complexities that might arise with some of the properties.

Supporting information

- 4.1 As part of the ongoing Property Rationalisation process and changes to the use of other assets across the City various opportunities have been identified to rationalise the Council's property portfolio.
- 4.2 The various properties are: -
- 4.3 **Rycote Centre**
- 4.4 The Rycote Centre is a 3-story building located off Parker St. The overall site area is 0.94 acres (0.38 ha), and the building has a Gross Internal Area of 2030 sqm (please see plan in Appendix 1)
- 4.5 The Centre was constructed in the early 1970's as a Resource Centre for disabled people with a variety of impairments. Owing to its age and construction, it is expensive to maintain, with high running costs. The property is not considered fit for purpose, with a condition liability of £0.6m. Consequently, it is considered not financially viable to refurbish the building to meet current requirements.
- 4.6 The building was used by various user including: -
- Derby Adult Learning Service
 - The Derby Deaf Club
 - British Deaf Association
- 4.7 The property is now vacant apart from the Derby Deaf Club. The Adult Learning classes that were provided from this building have been relocated to other locations including the nearby Kedleston Road Training Centre
- 4.8 The Derby Deaf Club provides various social and community support activities for Derby's deaf community. The facility was well used prior to covid pandemic. However, the club has not had any physical events at the premises since the Covid imposed lockdown.
- 4.9 Given the condition of the building, officers from the Council worked with the Deaf Club to facilitate their relocation from the Rycote Centre to alternative accommodation. As part of this process an Equalities Impact Assessment (EIA) was prepared (Appendix 2).
- 4.10 As a result of this partnership working suitable alternative accommodation has been identified with terms of occupation being negotiated. The Deaf Club have requested that at this stage that details regarding the alternative location not be released for commercially sensitivity reasons

- 4.11 Cabinet is requested to declare the Rycote Centre surplus to operational requirements and to delegate authority to the Strategic Director of Corporate Resources following consultation with Cabinet Member of Finance, Digital and Culture to agree the detailed terms of the disposal and the terms relating to the relocation of Derby Deaf Club.
- 4.12 **Land at Bridge Street.**
- 4.13 This site is located on Bridge Street. directly opposite Derby University's Business Centre and comprises an area of approximately 1,059 sq. m. (Shown edged red in Appendix 3).
- 4.14 The subject property comprises a cleared and levelled roughly triangular shaped site formerly housing an industrial building now demolished and cleared.
- 4.16 The site was acquired on behalf of the Housing Revenue Account as a potential housing development site. Upon its acquisition the industrial building on the site was subsequently demolished to minimise vacant property holding costs.
- 4.17 Given its location the Council was approached by Derby University to purchase the site in order support the delivery of its master plan.
- 4.18 This masterplan provides a vision for how the University of Derby intends to develop its city centre footprint and improve connectivity between the various sites it owns in the city.
- 4.19 This Masterplan supports the University's ongoing commitment and contribution to the inclusive and regenerative growth of Derby city and its surrounding area, encouraging enterprise and innovation collaboration with businesses and expert academics.
- 4.20 Whilst the site is marginally viable from a housing perspective, the degree of viability is outweighed by the impact of the proposed reuse of the site by Derby University, the strategic benefits which that proposal brings to the city, which are in line with the Council's Vision for the City Centre. Officers therefore recommend the declaration of the site as surplus to housing need. Beyond that, it is also recommended that a sale of the site to Derby University to support the aims of their masterplan is agreed.
- 4.21 Cabinet is requested to declare surplus to operational requirements and the disposal of the land at Bridge St (shown in Appendix 3) and to delegate authority to the Strategic Director of Corporate Resources following consultation with Cabinet Member of Finance, Digital and Culture to agree the detailed terms of the disposal.

Public/stakeholder engagement

- 5.1 Consultations have taken place with the Deaf Club to identify their accommodation requirements which has allowed the Council to successfully identify suitable alternative accommodation. The EIA set out in Appendix 2 sets out further details of the process of consultation undertaken.
- 5.2 The relevant local ward members have been informed regarding the contents of this report.

Other options

- 6.1 Not to proceed with the disposal of the identified assets would result in the Council incurring costs and incur risks associated with the holding and management of vacant buildings.

Financial and value for money issues

- 7.1 The corporate approach to the reviewing of all assets will ensure they support corporate objectives and generate maximum financial return, as well as minimise future liabilities particularly for maintenance and running costs.
- 7.2 Any capital receipts generated will be applied in accordance with the corporate capital receipts policy and used for the good of the capital programme.
- 7.3 As the Bridge Street. site is held within the HRA, the capital receipt generated for the sale of this site will be retained with the HRA

Legal implications

- 8.1 The Council has an overriding obligation under Section 123 of the Local Government Act 1972 to obtain the best consideration reasonably obtainable on the disposal of its assets. The Council manages this requirement by disposing at market value; advertising properties on the open market and taking external valuation as required.

Climate implications

- 9.1 The sale of properties on the open market provides the potential for purchasers to improve their energy efficiency in accordance with Planning and Building Regulation requirements.

Other significant implications

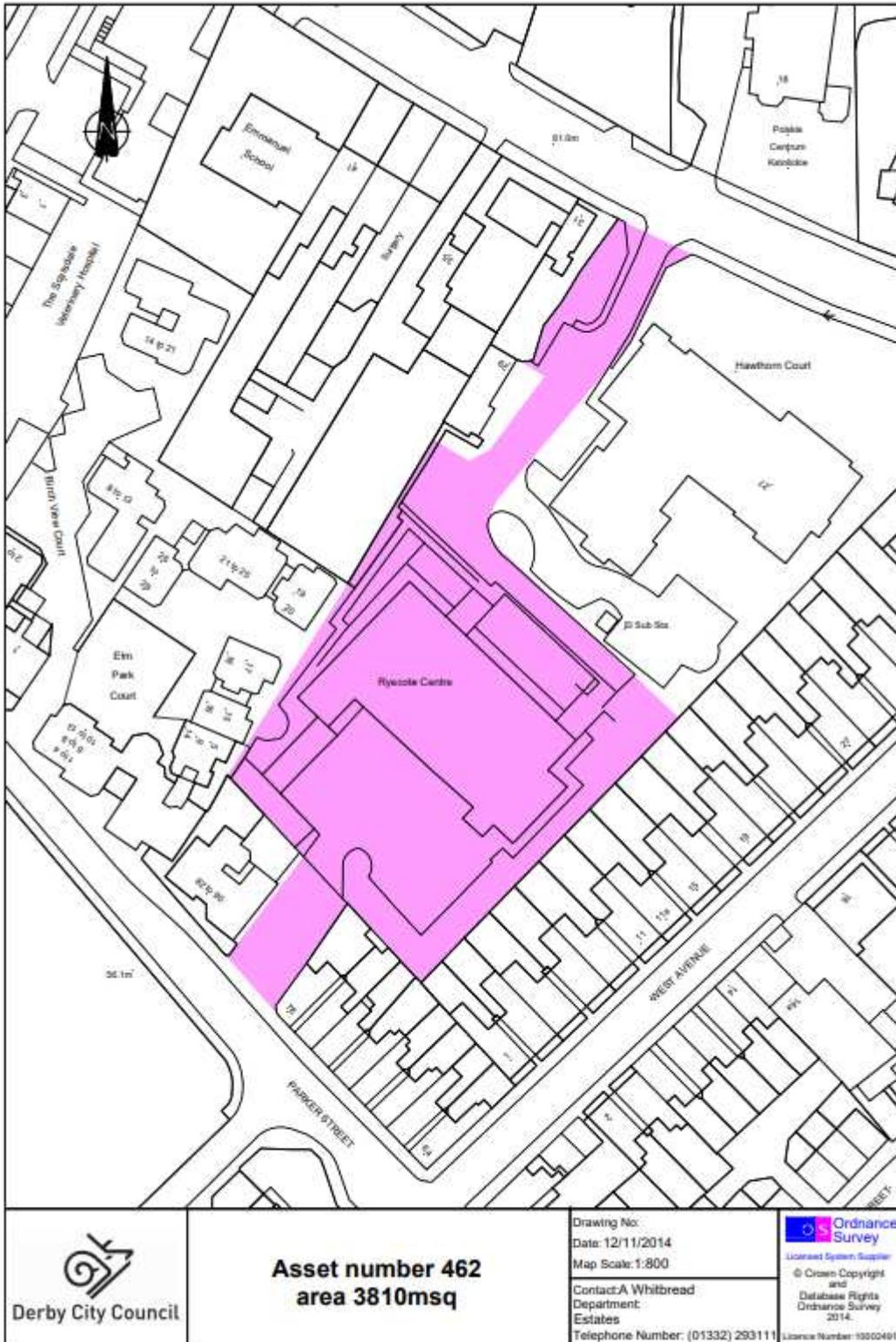
- 10.1 The efficient disposal of assets, will minimise the risks and liabilities of holding vacant sites and properties, and ensure that the costs associated with this are extinguished as soon as possible.

is report has been approved by the following people:

| Role | Name | Date of sign-off |
|----------------------------|---------------|-------------------------|
| Legal | Olu Idowu | 13/07/22 |
| Finance | Toni Nash | 11/07/22 |
| Service Director(s) | Steve Caplan | 12/07/22 |
| Report sponsor | Simon Riley | 12/07/22 |
| Other(s) | Nicky Bartley | 12/07/22 |

| | |
|----------------------------|---|
| Background papers: | None |
| List of appendices: | Appendix1 -Site plan Rycote Centre Appendix 2 - Equalities Impact Assessment Appendix 3 - Land at Bridge St |

Appendix 1 – Rycote Centre



Asset number 462
area 3810msq

Drawing No:
Date: 12/11/2014
Map Scale: 1:800
Contact: A Whitbread
Department:
Estates
Telephone Number: (01332) 293111

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Appendix 2 – Rycote Equalities Impact Assessment – Please see separate attachment.

Appendix 3 – Land at Bridge St

