

**TELFORD & WREKIN COUNCIL**

**CABINET - 18 OCTOBER 2012**

**DISPOSAL OF THE FORMER GOWER STREET YOUTH CENTRE, ST GEORGES**

**REPORT OF ASSISTANT DIRECTOR: DEVELOPMENT, BUSINESS & HOUSING**

**LEAD CABINET MEMBER – CLLR BILL McCLEMENTS**

**PART A) – SUMMARY REPORT**

**1. SUMMARY OF MAIN PROPOSALS**

1.1 To dispose of the former Gower Street Youth Club, Gower Street, St Georges.

**2. RECOMMENDATIONS**

- 2.1 That delegated authority is given to the Assistant Director: Development, Business & Housing in consultation with the Cabinet Member for Resources & Service Delivery to negotiate terms to dispose of the former Gower Street Youth Centre as recommended within the report.
- 2.2 That Cabinet delegate authority to the Assistant Director: Law, Democracy & Public Protection to sign or seal any documentation to give effect to the recommendation as detailed above.
- 2.3 That Cabinet note that the net capital receipt is built into the Council's budget strategy. The gross receipt has been reduced by £75k for potential youth provision following consultation with the local community.
- 2.4 That Cabinet recommends that Council approve a capital estimate and approval for £75k for Youth Provision in the St George's area following consultation with the local community.

**3. SUMMARY IMPACT ASSESSMENT**

<b>COMMUNITY IMPACT</b>	Do these proposals contribute to specific Co-operative Value(s)?	
	Yes	Openness & Honesty Involvement
	Will the proposals impact on specific groups of people?	
	No	The Youth Centre has been closed since September 2005.
<b>TARGET COMPLETION/ DELIVERY DATE</b>	Target date for completion of the sale is within the 2012/13 financial year.	
<b>FINANCIAL/VALUE FOR MONEY IMPACT</b>	Yes	Sale of the site represents best value for money based on the refurbishment, adaptation and future running costs of the building. A net capital receipt for this site (net of any potential payment for a youth provision and fees) of £350k - £400k forms part of the corporate capital disposal programme for 2012/13. £75,000 will be made available to reinvest in Youth provision within the St Georges area subject to consultation.

<b>LEGAL ISSUES</b>	Yes	The Council has the power to dispose of land as detailed in this report but must obtain best consideration. Ongoing legal advice will be given to the Council's Estates & Investment Team.
<b>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</b>	Yes	The opportunities and risks have been identified and will continue to be reviewed.
<b>IMPACT ON SPECIFIC WARDS</b>	Yes	The proposed development, subject to planning approval, is located in the St Georges Ward.

## **PART B) – ADDITIONAL INFORMATION**

### **4. INFORMATION**

- 4.1 The property (Appendix 1) was formally used as a Youth Centre. However, following the failure of the heating system, the building had to be temporarily closed. Investigations identified that there would not only be costs associated with its replacement but also for the removal of asbestos. Having identified the works required and the related cost implications further assessments were carried out as part of due diligence and proactive management of the asset. Further assessments around the suitability of the building in regards to legislation requirements and conditional liabilities indicated considerable liabilities.
- 4.2 An Access Audit was carried out to assess the premises in terms of suitability and/or deficiencies in respect of access for the disabled and associated legislation including Disability Discrimination Act, Part M of the Building Regulations 1999 and relevant British Standards. The Audit identified a number of shortfalls that required addressing in order to avoid conflict with the relevant legislation all at a considerable cost.
- 4.3 In addition to the above, a review of the condition survey identified a significant liability both over the initial medium term 5 year period and over the long term of 20 years.
- 4.4 Having considered the issues relating to the property at the time of the closure (September 2005) and the total liability outstanding to the Council of some £925,000 to open the building as a Youth Centre or indeed utilise it for an alternative use is not viable.
- 4.5 Since the building has been closed it has been subject to continual vandalism despite every effort to keep the property secured. This has resulted in significant damage to the building.
- 4.6 A residential planning permission for both conversion and new build dwellings was secured in 2008 and renewed in 2011. The property has been on the market since achieving planning permission with all usual marketing options pursued. However, due to market conditions, a purchaser has not been identified.
- 4.7 Recently, significant interest has been received from residential and commercial developers which meet the Council's expectations of value. Any change of use from the existing planning consent would have to follow a full planning process. The potential development could include residential and retail development but the full scheme and viability will be assessed prior to a planning application being submitted.
- 4.8 In addition to the capital receipt the Council will benefit from the New Homes Bonus of circa £1k per annum for six years per unit build on site.

**5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION**

- 5.1 Openness & Honesty – the property will be disposed of in the open market to achieve best value. All necessary approvals will be sought.  
Involvement – Should the site be subject to any Planning Application a consultation process will follow to engage with local residents to bring forward a scheme that reflects community needs.
- 5.2 Risk – The property has experienced vandalism and the risk will remain until the site is redeveloped. The property is an ongoing financial liability.  
Opportunity – To dispose of the site for a capital sum with a proportion of the receipt to be reinvested in the local area in consultation with the community.

**6. PREVIOUS MINUTES**

- 6.1 None

**7. BACKGROUND PAPERS**

- 7.1 None

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# Appendix 1 – Location Plan

