
Report to:	Cabinet	Date of Meeting:	3 July 2015
Subject:	Former Birkdale Library Liverpool Road Southport	Wards Affected:	Birkdale;
Report of:	Director of Built Environment		
Is this a Key Decision?	No	Is it included in the Forward Plan?	Yes
Exempt/Confidential	No but Appendix 1 of the report is NOT FOR PUBLICATION by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972. The Public Interest Test has been applied and favours the information being treated as exempt		

Purpose

To report on the tenders received as a result of the marketing exercise for the sale of the Council's freehold interest in the former Birkdale Library

Recommendations

(i) That subject to the receipt of planning permission, the Council disposes of its freehold interest in the former Birkdale Library in Liverpool Road, Birkdale to the tenderer submitting the most advantageous bid, as detailed in Appendix 1, on the terms set out in the report

(ii) That the Head of Corporate Legal Services be authorised to prepare the necessary legal documentation on the terms and conditions detailed in the tender documents, by way of a Building Lease followed by Conveyance of the freehold interest, or an appropriate alternative means of Transfer, if required.

How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		x	
2	Jobs and Prosperity	x		
3	Environmental Sustainability	x		
4	Health and Well-Being		x	
5	Children and Young People		x	
6	Creating Safe Communities		x	
7	Creating Inclusive Communities		x	
8	Improving the Quality of Council Services and Strengthening Local Democracy		x	

Reasons for the Recommendation:

Birkdale Library was declared surplus to operational requirements and the premises closed in December 2013. The premises are included in the Council’s Asset Disposal Programme for 2015/16. Disposal will bring the premises into productive use and relieve the Council of an ongoing liability. The premises are registered as an Asset of Community Value so the obligations contained in the Localism Act legislation need to be followed by the Council.

Alternative Options Considered and Rejected:

The Council could retain the premises and continue to incur the holding costs.

What will it cost and how will it be financed?

(A) Revenue Costs

None

(B) Capital Costs

The Council will receive a capital receipt together with its professional fees. The Council may also benefit from the New Homes Bonus for the additional homes if the premises are sold for residential development.

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Financial	
The Council will receive a capital receipt, its fees and may receive a New Homes Bonus	
Legal	
The Head of Corporate Legal Services will complete the necessary documentation for the disposal by way of a Building Lease followed by Conveyance of the freehold interest, or an equivalent alternative means of Transfer.	
Human Resources	
Not applicable	
Equality	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

Impact of the Proposals on Service Delivery:

None

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT has been consulted and notes the potential financial implications indicated by the report. Approval of a tender can see the Council receive a capital receipt, reimbursement of its fees and potentially receive a New Homes Bonus (FD 3616/15)

Head of Corporate Legal Services has been consulted and has no comments on the report (LD 2908/15)

Implementation Date for the Decision

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

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Background Papers:

There are no background papers available for inspection

- 1.1. Birkdale Library was declared surplus to operational requirements and the premises closed. The premises are included within the Council's Asset Disposal Programme for 2015/16, following considerable consultation and consideration of various proposals for other users of the building.
- 1.2. The Council has invited offers for its freehold interest in the premises, shown hatched on the attached plan, upon satisfactory completion of redevelopment works by way of a Building Lease, subject only to the receipt of planning permission for the proposed use.

2. Asset of Community Value

- 2.1. The Localism Act 2011 sets out the principles of the Community Right to Bid which came into force on 21 September 2012. This gives communities a right to identify a property that is believed to be of value to their social interests or social wellbeing. Accordingly, it gives them a fair chance to make a bid to buy the premises on the open market.
- 2.2. Birkdale Library is registered as an Asset of Community Value, effective from 7th January 2014.
- 2.3. The Council has served Notice of its intention to dispose of the premises on the Community Group, the Friends of Birkdale Library, effective from 6th February 2015. This has the effect of imposing an initial six week Moratorium period, during which time the Community Group, or any other interested Community Group, can express an interest in writing to be treated as a potential bidder for the asset. Any bids should be made through the tender process.
- 2.4. Upon receipt of such an interest the six week period will be extended to a six month full Moratorium period. This applies in this instance and consequently, the Council cannot contract to sell the premises until the Moratorium period expires on 7th August 2015

3. Current Position

- 3.1. The Council's freehold interest in the premises has been advertised on the open market, by way of informal tender, subject to the receipt of planning permission for an appropriate use that complies with the Planning Brief contained in the tender details.
- 3.2. A prominent sign board was located at the front of the premises and advertisements placed in the local press, with a closing date of 22nd May 2015 for the receipt of tender offers.
- 3.3. Ninety three sets of tender details were sent out. Thirteen tenders were received by the closing date. Details of the tenders together with the offers received are set out in Appendix 1 to this report.
- 3.4. The offers received vary from housing development, sheltered housing, commercial, retail, day nursery to use for a Library and community purposes.

- 3.5 The highest offer proposes a development of fourteen semi detached houses for sale. The second highest tender is a 29 unit scheme providing private sheltered housing for over 55's.
- 3.6 An offer has been received from the Friends of Birkdale Library to continue the Library use and undertake community activities from the premises. In addition to a Library and Community uses, uses under consideration include a small café, a day care nursery, IT section for job seekers and Schools, Community clubs, an information service for the Council and Community organisations, exercise classes, rooms for hire and reading groups.

4. Planning Advice

- 4.1 Planning guidance within the details suggests that because the premises lie within a Primarily Residential Area, redevelopment for housing or residential care would be appropriate, subject to details of amenity, design, highways and access in any planning application.
- 4.2 The building has an existing D1 use as a Library and consequently it would be considered suitable for other community uses within that Use Class such as day nurseries, day centre, health clinic, non residential education and training centres. Town centre uses such as offices, leisure and retail would need to satisfy the sequential test as set out in the Council's Unitary Development Plan.
- 4.3 Planning have been consulted on the sketch schemes provided for the top two offers. They have concerns about the sheltered housing proposal which has a negative impact off the vehicular entrance and car park next to one of the adjoining houses. The scale and massing of the proposed development appears too big in comparison to the size of the site.
- 4.4 Planning consider that the scheme submitted for 14 semi detached houses is the more acceptable scheme. Whilst back land development is not a characteristic of the area, housing need gives more flexibility. The car parking layout is not ideal. However, Planning feel that the proposed scheme has greater potential to work and is preferred to the sheltered scheme.

5. New Homes Bonus

- 5.1 The Council is entitled to New Homes Bonus payments which are based on matching the average national Council Tax Band of the residential unit built. For calculation purposes, assuming the 14 semi detached houses for sale are in Band D, this would give the Council a New Homes Bonus of £20,552 in Year1 and £123, 310 in total payments by Year 6.

6. Best Consideration

- 6.1 Under standard Council procedures, surplus assets are advertised on the open market, for sale by way of informal Tender, in order to ensure that any offers received represent "best consideration in accordance with Section 123 of the Local Government Act 1972 (as amended).