



AGENDA ITEM: 6(a)

CABINET: 16th June 2015

Report of: Assistant Director Housing and Regeneration

Relevant Managing Director: Managing Director (Transformation)

Relevant Portfolio Holder: Councillor J Patterson

Contact for further information: Mr Bob Livermore (Extn. 5200)
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SUBJECT: 192 – 198 ENNERDALE, SKELMERSDALE (FORMER TANHOUSE OFFICE)

Wards affected: Tanhouse Ward.

1.0 PURPOSE OF THE REPORT

1.1 To update Members following the meeting of Cabinet on the 13th January 2015.

2.0 RECOMMENDATIONS

2.1 That the Assistant Director Housing and Regeneration be authorised, in consultation with the Portfolio Holder for Housing and Landlord Services, to grant a lease at a peppercorn rent to the Tanhouse Community Enterprise Ltd. Subject to the business plan for 192-198 Ennerdale being valid and sustainable.

2.2 That the Assistant Director Housing and Regeneration be authorised to obtain all necessary consents and enter into all necessary documentation to facilitate the lease.

3.0 BACKGROUND

3.1 The background to this report is that Members have considered the future of this building on a number of occasions.

3.2 In November 2014, Cabinet considered the matter. Four options were given to Members which included the following:

- Convert the office back to housing units, utilising money from the Housing Revenue Account (HRA).
- Allow the building to be used for community purposes.
- Dispose of the property for a private sector conversion to accommodation.
- Demolish and retain the site for a possible future redevelopment project.

3.3 Cabinet decided that of those options, there were only two that it favoured and asked for a further report to be brought back on these two options. The first was 'Disposal of the property for a private sector conversion to accommodation' and the second option was 'Demolition and retention of the site for a possible future redevelopment project'. Members also asked for alternative arrangements to be considered in the report regarding the CCTV relay equipment which is sited on the building.

3.4 In January 2015, a report was prepared and recommended that the building be demolished and the site retained for possible redevelopment and that the CCTV relay equipment be relocated.

3.5 Cabinet considered this and also representation which had been made prior to the meeting at the Landlord Services Committee and resolved:

- a. That this item be deferred in order to offer an opportunity for the Tanhouse Community Enterprise Ltd to develop a detailed Business Plan for the future use of 192 – 198 Ennerdale, Tanhouse, Skelmersdale.
- b. That the Assistant Director of Housing and Regeneration report to the June meeting on the future use of 192 – 198 Ennerdale, Tanhouse, Skelmersdale. The report to include an evaluation of the Business Plan submitted on behalf of the Tanhouse Community Enterprise Ltd.

4.0 CURRENT POSITION

4.1 The current position is that the Tanhouse Community Enterprise Ltd have submitted a Business Plan to me for consideration.

4.2 I have reviewed the Business Plan and met with the authors to discuss the matter further.

4.3 I have no reason to believe that the objectives within the business plan, namely, the conversion back to residential accommodation cannot be achieved. This will entail significant works which include the reconstruction of the internal layout of each dwelling and the installation of a kitchen and bathroom.

4.4 Discussions with funding bodies, end users and building professionals are at an early stage but indicative costing's are favourable.

4.5 Any works will incorporate the CCTV Relay Equipment within the site area.

4.6 It is anticipated that the lease of the building will be similar to and run co-terminus with, the lease of Tanhouse Community Centre.

5.0 OPTIONS

- 5.1 There are a range of options open to Members from deferring the matter until its meeting in September or, making a decision based on the information that is available.
- 5.2 In looking at the matter, I feel that it would be appropriate to delegate the decision to me to agree to a lease of the property to Tanhouse Community Enterprise Ltd subject to me being satisfied, following further evaluation, that the scheme proposed is viable. This will allow the proposal to be advanced over the summer particularly grant applications may be submitted with the confidence that lease terms have been agreed.
- 5.3 The disposal of a facility/land at less than the best value that can reasonably be obtained may require Secretary of State Consent. Providing that the undervalue does not exceed £2m and that there are social, economic and environmental benefits in transferring the land then the Council can transfer the land at an undervalue and there will be no need to obtain specific Secretary of State consent. As it is proposed that the rent is merely a peppercorn Members must satisfy themselves that the benefits outweigh the loss of the asset.

6.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 6.1 There may be some sustainability impacts associated with this report but these will only be apparent later in the process.

7.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 7.1 There would be some financial/ resource implications in deferring the matter. The analysis of the Business Plan can be accommodated within existing resources and therefore, there is no cost to the Council in deferring the matter. However, as the Council currently pay business rates on the building, a decision to defer the matter will incur £1530.00, in terms of additional business rates which need to be found from the HRA for the period June to September.
- 7.2 If authority is granted for me to issue a lease subject to satisfaction about the outstanding issues there would be savings to the Council namely the cost of demolition and the relocation of the CCTV equipment.

8.0 RISK ASSESSMENT

- 8.1 The risk to the Council of granting a lease to the Tanhouse Community Enterprise Ltd would be that the refurbishment works proposed are not carried out to the standard adopted by the Council and there is damage to reputation because of the Councils involvement.
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Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

1. Minute of Landlord Services Committee (Cabinet Working Group) held on 11 June 2015 (to follow)