

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ECONOMIC GROWTH AND NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	22 JUNE 2020		
TITLE:	WHITLEY LIBRARY - DISPOSAL		
LEAD COUNCILLOR:	COUNCILLOR EMBERSON	PORTFOLIO:	CORPORATE & CONSUMER SERVICES
SERVICE:	PROPERTY & ASSET	WARDS:	CHURCH
LEAD OFFICER:	GIORGIO FRAMALICCO	TEL:	0118-9372604 (ext. 72604)
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 To advise the Committee of the outcome of a marketing exercise to dispose of the freehold of Whitley Library and to seek authority to dispose of the freehold interest on the terms set out in this report.
- 1.2 To advise the Committee that the disposal also includes an area of land currently used under a licence by an adjacent owner for garden land and driveway purposes and that part of this land can be excluded from the Whitley Library sale and sold to the adjacent owner to enable them to retain and regularise their driveway.
- 1.3 Elsewhere on this meeting's agenda in closed session commercial information in relation to this decision was presented and this should be considered when making a decision as regards the recommendation.

Appendix A - Location plan.

2. RECOMMENDED ACTION

- 2.1 That the Whitley Library be disposed of to Bidder A in accordance with the terms set out in paragraph 4.2 of this report.
- 2.2 That the Executive Director for Economic Growth and Neighbourhood Services be given delegated authority to agree terms for a supplementary minor disposal of adjacent land in accordance with paragraph 4.4 of the report

2.3 In the event that the offer price is subsequently reduced or the purchaser does not perform to an acceptable timescale the Executive Director of Economic Growth & Neighbourhood Services be given delegated authority in consultation with the Leader of the Council and the Lead Councillor for Corporate and Consumer Services to reengage with other bidders as appropriate or remarket the property for disposal at best consideration.

3. POLICY CONTEXT

3.1 The Whitley Library site is edged on the attached Plan Appendix 1.

3.2 As part of the Community Hubs projects, Policy Committee approved the relocation of the Whitley library service to the South Reading Youth & Community Centre, Northumberland Ave. This formed part of a wider capital project to create a new multi-functional community hub which also includes a day nursery, children's centre, youth facilities, community café and other space for community lettings and other shared uses.

3.3 As part of the Hubs programme on 10th April 2017, Policy Committee (Minute 114 community hub spend approval) also resolved:

That the disposal of the Whitley and Southcote Library sites on the open market and through the Community Letting Policy process be agreed, and that the results of the marketing exercise be reported back to a future meeting of Policy Committee for decision.

3.4 The disposal also includes a triangle of land hatched on the enclosed plan in order to maximise the disposal opportunity of the Whitley Library site and to provide the option for associated off street parking subject to planning permission being obtained.

3.5 The hatched land and the land shaded black on the enclosed plan are currently Licenced to an adjacent neighbour for use as garden land and driveway

3.6 It will be necessary for the Council to serve 3 months' notice to terminate the licence.

3.7 Reading Borough Council's Third Sector Policy Statement states that when a Council asset is declared surplus in accordance with Corporate Asset Management Plan criteria and is therefore not required for operational or service delivery purposes by the Council or a partner organisation, it will be advertised for disposal usually on a freehold basis.

3.8 Third Sector organisations can bid for a surplus property and all bids received will be considered by Policy Committee. Additionally, Third sector organisations will also be able to bid for a leasehold interest rather than the freehold of the premises, subject to certain criteria.

4. THE PROPOSAL

4.1 Current Position:

- 4.1.1 A range of preparatory work was undertaken including collating property compliance and condition information, placing Tree Preservation Orders on qualifying trees, locally listing the property and securing in principle planning preapplication support for a conversion of the building to 3 x 1 bed units.
- 4.1.2 The purchaser would be required to respect the Local Listing of the building and the Preservation Orders placed on the qualifying trees.
- 4.1.3 Officers then invited three firms of chartered surveyors to submit a fee quote in relation to the marketing of the property resulting in the appointment of Dunster & Moreton (D&M).
- 4.1.4 D&M were formally instructed and marketed the property for 8 weeks with bids returns due on 19th December 2019.
- 4.1.5 The disposal was also advertised on the RVA website in accordance with the Council's Third Sector Policy.
- 4.1.6 A total of five offers were received through both processes.
- 4.1.7 A letter from D&M summarising the offers together with a tabulated summary are enclosed with the confidential report. The letter from D&M recommends the Council proceeds with Bidder A.
- 4.1.8 Officers have also undertaken a criteria based assessment of the Third Sector bids, weighing up the overall benefits of the bids including the scale of the financial offer. This assessment is enclosed with the confidential report and concords with the recommendation given by D&M to dispose of the property to Bidder A.

4.2 Proposed Option: Whitley Library

- 4.2.1 It is proposed that the Property be sold to the Bidder A on the following terms:

Offer: £X (as set out in confidential report) for the freehold interest

Use: D1 Community use

Offer conditions: Use unconditional on planning
Not subject to 3rd party funds

Offer comments: Bidder A has offered the highest price and it has been confirmed that they have the ability to progress the purchase at the purchase price.

Bidder A has confirmed that despite the Covid 19 emergency they are still willing and able to proceed with the purchase at the offer price.

Bidder A have advised that is it their intention to use the building for Community purposes, to link with the wider community and to hire rooms to other community groups

4.2.2 In the event that the offer price is subsequently reduced or the Purchaser does not perform to an acceptable timescale it is recommended that the Executive Director of Economic Growth & Neighbourhood Services be given delegated authority in consultation with the Leader of the Council and the Lead Councillor for Corporate and Consumer Services to reengage with other bidders as appropriate or remarket the property for disposal at best consideration.

4.3 Other Options Considered

4.3.1 Dispose to another bidder:

This would result in accepting a bid that is not the best offer.

4.3.2 Not to dispose of the property:

The property would remain vacant pending identifying an alternative use and continue to cost the Council in terms of empty property costs.

4.4 Proposed Option: Land adjacent

That the land shaded black on the enclosed plan be sold to the adjacent neighbour on terms to be agreed under delegation to the Executive Director of Economic Growth & Neighbourhood Services in consultation with the Leader of the Council for continued use as a domestic driveway to the property only.

5.0 CONTRIBUTION TO STRATEGIC AIMS

5.1 The Council has adopted a Strategic Framework (March 2020) which sets out the Council's key priorities including:

- To keep social care services running for the children and adults who need them;
- To support vulnerable and isolated people during the crisis;
- To support business and the economy, which will secure the long term recovery of Reading.

5.2 The disposal of the Property supports the aim of remaining financially sustainable to deliver service priorities in accordance with the Medium-Term Financial Strategy.

5.3 In accordance with the Council's Corporate Plan the proposed use will provide an additional community facility in Whitley which will help to promote health, education, culture and wellbeing.

6. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

- 6.1 The building has been unoccupied since the library moved to South Reading Community Centre as part of the Community Hub programme which brought the council and partners services into one building. The building, which is locally listed, will be reused for the purposes set out in this report. Alterations to the fabric of the building, if required, would need to be meet building regulations including standards related to energy efficiency.

7. COMMUNITY ENGAGEMENT AND INFORMATION

- 7.1 The disposal was subject to an open market and Third Sector marketing exercise and generated a range of interest from the community/voluntary sector.

8. EQUALITY IMPACT ASSESSMENT

- 8.1 Under the Equality Act 2010, Section 149 the Council must, in the exercise of its functions, have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

- 8.2 The Council has reviewed the scope of the proposals as outlined within this report and considers that the proposals have no direct impact on any groups with protected characteristics.

9. LEGAL IMPLICATIONS

- 9.1 The Assistant Director of Legal and Democratic Services will complete the necessary contract documentation.

- 9.2 The offer from Bidder A being the highest offer represents Best Consideration to the Council in terms of S123 of the Local Government Act 1972.

10. FINANCIAL IMPLICATIONS

- 10.1 The Council would obtain a capital receipt in 2020/21 to support the Councils Medium Term Financial Strategy. Further financial information is set out in the confidential report set out elsewhere on this agenda.

11. BACKGROUND PAPERS

- 11.1 Not for publication