

WILTSHIRE COUNCIL

CABINET CAPITAL ASSETS COMMITTEE Informal Meeting 23rd October 2012 Formal Meeting 6th November 2012

Subject: **BROWFORT, DEVIZES – OPTIONS FOR DISPOSAL**

Cabinet Member: Cllr Toby Sturgis
Waste, Property, Environment and Development Control Services

Key Decision: No

Purpose of the report

1. To present all the potential options for the disposal of the Browfort site and to ask Members to select their preferred option.

Background

2. In January 2012 Cabinet delegated authority to Dr Carlton Brand, Corporate Director, in consultation with Cllr Stuart Wheeler, Cabinet Member for Transformation, Culture, Leisure and Libraries to
 - a. instruct officers within the Transformation Programme to commence the necessary consultation with key stakeholders and staff to enable the closure of Browfort offices during autumn 2012
 - b. market and dispose of the Browfort offices site if officers cannot develop an appropriate, financially viable, alternative long term public service use for the site, such as use by another public body or Extra Care provision.
3. Following consultation, a programme of works to create the customer centre in Snuff Street and refurbished office space in Kennet House staff has completed and staff have vacated the main Browfort buildings. Some teams will remain on site in The Cedars, The Lodge and Yew Trees for operational reasons until spring 2013.
4. Running cost savings from the building closure have been factored into the revenue budget and the potential capital receipt have not yet been factored into the Council's funding strategy as no value was assumed at the time the site was declared surplus. Effectively, the value associated with the option chosen for disposal is a 'new' receipt and as such may be used to repay borrowing or to reduce future borrowing. For reasons of commercial confidentiality the projected value of the receipt are not included in this report but the values are 'scored' in the table of options. That said, an indicative value range for a site of this nature could be in the order of £2-3m depending on use.

5. There is currently no budget identified in 2013/14 to meet the 'empty' running costs of the site and buildings which are estimated at circa £160k per annum so an early disposal is desirable.
6. Potential uses have been identified for the site both by officers, Members and locally but these have not been collated, appraised and presented to Members for consideration to date.

The Site

7. The Browfort site extends to approximately 2.8 hectares (6.87 acres) accessed from Bath Road. There are five independent buildings on the site:
 - a. The main office building – a 19th century former residential property (not listed) linked to a 1980's extension,
 - b. The Cedars – a Grade II* listed Georgian building at the entrance with a large garden,
 - c. The Lodge – a small stone faced building by the entrance road, not listed,
 - d. Yew Trees – office building beside The Lodge, not listed,
 - e. The Beeches – a relatively modern small office building.
8. Whilst the site is not within a designated conservation area, there are a number of mature and semi-mature trees which have an important amenity value and which will dictate its future uses and the form of development that can be achieved. The site is designated as an 'Area of Minimum Change' (Policy HH10, adopted Kennet Local Plan), where the character of the area should be protected from harmful development. There is also a steep slope on the north western boundary, an extensive listed building curtilage around The Cedars and a retaining wall at the entrance to the site. These constraints limit the developable area to approximately 4.76 acres (not contiguous) and also limit the scope for redesigning the access route to the site. These factors have been considered within the appraisal.
9. As referred to above, access to the site is constrained by existing features. It is unlikely therefore that the general arrangement of the existing junction onto Bath Road will change, although some minor changes may be appropriate in order to improve safety, capacity and accessibility.
10. In the adopted Kennet Local Plan the site is also designated as a 'Protected Strategic Employment Site' (Policy ED7). Whilst it is not designated as an employment site in the emerging Wiltshire Core Strategy, as an existing/former employment site it is safeguarded for employment uses (Core Policy 35). Policies allow for change in exceptional circumstances which need to be supported by appropriate evidence including marketing of the site for employment use. The Core Strategy also identifies specific issues to be addressed in considering development at Devizes including traffic congestion, air quality, providing for employment growth and infrastructure (Core Policy 12).

Valuation and Alternative uses

11. The Council's external property consultants, Chesterton Humberts, were commissioned to provide alternative use valuations on a wide variety of options from employment to housing uses (including extra care) and variations in between.
12. Regarding employment use, current demand in Devizes and in Wiltshire generally for large offices is very weak. A key recommendation from Chesterton Humberts therefore is that the site is properly marketed for a period of six months to demonstrate that there is no realistic chance of securing a tenant or purchaser for employment purposes in accordance with adopted and emerging planning policy. However, they propose that The Cedars building (and possibly The Lodge) is retained in employment use in each redevelopment option as this is the most appropriate use for the building and would provide a mixed use development which would go some way to meeting the policy requirements.
13. The options considered together with comments and an analysis of risks and scores (10 meaning certainty/high value and 0 meaning no possibility/minimal value) are set out in the following table. The estimated values of the disposal options are commercially sensitive and are therefore reflected by a 'score' within this table.

Table of Options:

Option All presume the 'retention' of The Cedars in B1 employment use	Comment/Risks	Site suitability	Likely planning success	Reliability of funding	Value (SCORE not £)	Total / Rank
i. Retention of all buildings on site for existing use	Substantial investment in the buildings would be needed to attract an occupier. The market for large offices in Devizes is very poor and the premises may stand empty for a significant period.	10	10	1	2	23 / 4=
ii. Demolition/site clearance for redevelopment for existing uses	As above – site has significant redevelopment constraints for larger facilities.	3	9	3	2	17 / 8
iii. Conversion of existing building for Extra Care	Most Extra Care operators have their own building models to allow quality care to be provided and to attract clients preferring new build to conversion. The infrastructure of the building does not lend itself easily to meet current requirements such as lifts, en suite facilities, etc.	10	8	1	1	20 / 7
iv. Demolition of all buildings to redevelop with Care Village (Private scheme providing open market EC facility, Care Home, surgery, etc)	The Quakers Walk (private EC development) planning appeal if allowed will have a significant impact on viability of a scheme of this nature. Site issues will impact on flexibility and deliverability.	7	7	4	6	24 / 3
v. Demolition of all buildings to redevelop low density market housing	Constraints on the site will limit the density that could be achieved. Planning policies relating to loss of employment and level of affordable housing will need further consideration.	7	7	10	6	30 / 1
vi. Demolition of all buildings to redevelop Retail Food Store	The access and other site constraints together with planning policies suggest this use is unlikely to be capable of being delivered.	3	2	8	10	23 / 4=
vii. Demolition of all buildings to redevelop part low density market housing/part Extra Care in accordance with Council's framework	Reflects the Council's Extra Care requirements. Unlikely to be significantly affected by Quakers Walk appeal decision.	8	7	8	6	29 / 2
viii. Demolition of all buildings to redevelop Part General/low density Market Housing/Additional B1 employment (approx 20,000sqft)	Lack of demand for offices locally will impact funding and land values	6	8	5	3	22 / 6

N.B. Scoring assessment undertaken by Officers with additional professional support from Chesterton Humberts

Main Considerations

14. The table highlights two preferred options for the site that are suitable in terms of their value and deliverability – open market, low density housing on the whole site or housing mixed with an extra care facility.
15. Subject to planning considerations and based on the constraints of the site there is an opportunity to develop a low density, very high quality housing scheme that is likely to be very attractive to developers. A quick disposal of the site is important to reduce void costs (security, rates, etc) and to avoid it being subject to damage either from the elements or from vandals. The buildings can be demolished ahead of disposal which will improve its value and marketability and the costs can be recovered from sale proceeds.
16. The Older People Accommodation Strategy seeks to deliver 60 bed mixed tenure unit through the Council's framework (the Quakers Walk scheme delivers no affordable units). Other options to deliver this include the redevelopment of the Council's EPH at Southfields (legal title issues may indicate that extra care use more appropriate than open market housing) and Anzac House although this is being considered as an affordable housing PFI site. Void costs will be incurred during the design development and tender period for this scheme which will be significantly higher than a complete disposal for housing.
17. A period of marketing to comply with the Council's own planning policies and to justify whether the site can continue as a viable employment site is important. Subject to Members decision for disposal, it is necessary to commence marketing as soon as is possible as the building will remain vacant for this period and may be subject to deterioration, vandalism and ongoing void costs. It is recommended that this marketing is undertaken as soon as further consultation with the Town Council and Area Board is complete and, in line with previous Cabinet decisions, delegated to Dr Brand and Cllr Wheeler.
18. Work has been undertaken with the VCS to identify whether the building is suitable for their long term office needs. As can be seen from the analysis, all recommendations include the demolition of the building due to its poor infrastructure and concerns over its long term suitability for offices which is why Cabinet had approved significant investment in the building had it been required for Council use.
19. The site value is such that the Council is required to ensure a realistic full market return on the property and a less than full value disposal may require the approval of the Secretary of State and an assessment by the Council that the building was suitable for the use proposed. The work undertaken by officers and Chesterton Humberts indicates that the building is not suitable for ongoing use as offices without a significant capital investment that is not available under the VCS proposal.
20. Given the development constraints on the site any retention and partial reuse of Old Browfort or Browfort by the Council or a third party would have a significant impact on the value of the site.

21. Rental of the site other than on a full economic basis is not an option as this would require significant capital investment by the Council in the fabric and the mechanical and electrical systems within the building estimated to be in the range of £3-£4m, at a time when the disposal of the building has already been approved by Cabinet and no budget for its retention, maintenance and improvement exists.

Local Input

22. Some of the Key issues, reflecting community views, included within the emerging Core Strategy are around infrastructure development including congestion and air quality) and employment. The development options for the Browfort site will need to be assessed in detail in this context in accordance with due process but it is unlikely that the options presented as most deliverable will impact adversely on the infrastructure of the town. Some employment use is to be retained on the site and its viability as an entire employment site will, if approved, be assessed over a marketing period.

23. Following the identification of a preferred option or options from CCAC, further consultation will be undertaken with the Town Council and the Area Board who have so far expressed a preference for the retention of some employment use on the site

24. The Area Board formed an Extra Care Task Group (ECTG) which is working with officers to look at the most appropriate solutions to the provision of extra care in the Town. The group has recently reviewed potential Council owned sites indicating a preference for Browfort and Southfields Care Home. It has also requested officers to investigate some sites in third party ownership. The six months marketing period will allow this group time to report their findings.

Recommendations

25. That officers undertake consultation with the Area Board and the Town Council based on this Committee's preferred option(s). That officers commence early marketing of the site for employment use.

26. Six months after marketing commences, if no significant and deliverable interest has been demonstrated, Dr Brand, in conjunction with Cllr Stuart Wheeler, to determine and proceed with implementation of one of the options preferred by this Committee, giving due consideration to the views of the Area Board and the Town Council.

Dr Carlton Brand
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The following unpublished documents have been relied on in the preparation of this Report: None

Appendices: None