

CABINET

Land at Aalborg Square, Lancaster 6th October 2009

Report of Corporate Director (Regeneration)

PURPOSE OF REPORT			
To update Cabinet on the potential disposal of land at Aalborg Square, Lancaster, to facilitate an extension of the courts building.			
Key Decision	<input checked="" type="checkbox"/>	Non-Key Decision	Referral from Cabinet Member
Date Included in Forward Plan	October 2009		
This report is public			

1.0 Introduction

1.1 At the meeting of Cabinet on 23rd June 2009, Cabinet resolved:

(1) That the Council approves the principle of the disposal of land at Aalborg Square, Lancaster, subject to a further report which should clearly show the alternative option of building at the rear of the magistrate's court.

(2) That the District Valuer be appointed to determine the valuation of the site in accordance with the Council's Disposal Strategy, and the Consent.

2.0 Proposal Details

2.1 Discussions have taken place with the council's Planning officers concerning the alternative option of building at the rear of the magistrate's court.

2.2 They are of the opinion that whilst it is appreciated that there is a desire to retain the green space at the front of the magistrates court and develop the rear of the site there are problems with this approach.

2.3 The site available for development at the rear is smaller than the Square at the front of the building. This would require a taller block to provide the accommodation the Crown Courts require. This taller block would be unacceptable in terms of the impact on the setting of the grade II* listed Town Hall and the grade II listed former Fire Station. The taller building would also be in close proximity to and would adversely affect the Round House and the Aalborg Place residential sites.

- 2.4 In such circumstances, development at the rear of the court building would not be possible and therefore the proposals for the front of the building were suggested.
- 2.5 The Courts Service are also of the view that a building on the front of the site is an opportunity to improve the function and appearance of the existing open space and improve the appearance of the existing Magistrates Court by the construction of a modern new extension.
- 2.6 On the basis that it is the view of officers that recommending that planning permission for development to the rear of the courts building would not be possible, the District Valuer should be asked for his valuation of the Aalborg Square site.
- 2.7 If cabinet is satisfied with development taking place in Aalborg Square, it is suggested that final approval of the District Valuer's valuation and associated terms be delegated to the portfolio holder.

3.0 Details of Consultation

- 3.1 For the purposes of this report, consultation has only taken place with Planning officers.

4.0 Options and Options Analysis (including risk assessment)

- 4.1 Option 1 is to approve the principle of disposal of the land at Aalborg Square to the Courts Service for the extension of the courts building that would facilitate the vacation of that part of Lancaster Castle currently occupied by the court as referred to in the previous report. In this option the powers granted under the General Disposal Consent could be utilised which may not result in the full value of the site being received by the Council but the economic benefits of the Courts Service vacating the Castle are considered to balance this loss. It is because of this that the District Valuer is recommended to undertake a valuation that would accord with the requirements of the General Disposal Consent and the requirements of the special purchaser provisions in the Council's Disposal Strategy and an instruction for this valuation has been given. In disposing of the land there would be a loss of an open space in Lancaster along with a minimal reduction of maintenance responsibilities.
- 4.2 Option 2 is not to consider the disposal of the land at Aalborg Square. This would result in the Council retaining the land which is an open space. However, the opportunity to obtain the benefits of vacating that part of Lancaster Castle currently occupied by the Courts would be lost.

5.0 Officer Preferred Option (and comments)

- 5.1 The preferred option is option 1 because this allows the retention of the Courts facilities in Lancaster along with releasing the tourism potential of that part of the Castle currently occupied by the Courts.

Objective 1 of the Council's Corporate Plan identifies a need to work in partnership to ensure a strategic approach to economic development and regeneration. The disposal of the land at Aalborg square for an extension of the Courts would help to meet this objective. Lancaster and Morecambe Regeneration Vision-transformational projects-Lancaster Castle identifies the relocation of the courts as a priority.

**CONCLUSION OF IMPACT ASSESSMENT
(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)**

There is no initial impact arising from this report, but should development ultimately take place, there would be a reduction in green space within the city. Any development that does take place would need to be in accordance with current regulations regarding sustainability issues.

FINANCIAL IMPLICATIONS

The Council's capital receipts schedule does not include for the disposal of the land at Aalborg Square – the sale would be an opportunity disposal and the capital receipt would be an addition to the Council's budget. The appointment of the District Valuer would enable a determination of the amount of undervalue to be known in accordance with the General Disposal Consent and in accordance with the Council's approved Disposal Strategy, with a further report made for final approval once the valuation is confirmed. Any minor implications for the revenue budget regarding maintenance would also be confirmed then, as appropriate.

In terms of the use of any additional capital receipt arising, it should be noted that under the Council's Capital Investment Strategy, such monies cannot be used to support new spending or take on new commitments. This is to help manage the capital risks that the Council currently faces (Luneside, Icelandic Investments, achieving planned land sales, etc). During the next budget and planning round there will be the opportunity to revisit the Strategy, however, to take account of unexpected developments such as this and their potential impact on investment priorities – as well as any changes in the Council's financial outlook.

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has been consulted and has no further comments to add.

LEGAL IMPLICATIONS

Members are reminded that the Consent referred to in the body of the report means that specific consent from the Secretary of State is not required for the disposal of any interest in land at less than best consideration which the Council considers will help it to secure the promotion or improvement of the economic, social or environmental well being of its area. Specific consent is only required if the undervalue exceeds £2,000,000 (two millions pounds).

In determining whether or not to dispose of land for less than the best consideration reasonably obtainable, and whether or not any specific proposal to take such action falls within the terms of the Consent, the Council should ensure that it complies with normal and

prudent commercial practices, including the obtaining the view of a professionally qualified valuer as to the likely amount of the undervalue.

The preferred option complies with such requirements if the Council is satisfied that the “well being” criteria have been satisfied.

There are no legal implications in respect of option 2.

MONITORING OFFICER’S COMMENTS

The Deputy Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

Previous cabinet report and minutes

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