

CABINET	AGENDA ITEM No. 9
10 JULY 2023	PUBLIC REPORT

Report of:	Adrian Chapman, Executive Director for Place and Economy	
Cabinet Member(s) responsible:	Councillor Andy Coles, Cabinet Member for Legal, Finance and Corporate Services, in consultation with Councillor Marco Cereste, Cabinet Member for Growth and Regeneration.	
Contact Officer(s):	Nick Carter, Service Director Growth and Regeneration	Tel. 07950 854161

DISPOSAL OF THE FORMER TK MAXX AND NEW LOOK BUILDING, 62-68 BRIDGE STREET

RECOMMENDATIONS	
FROM: Executive Director, Place and Economy	Deadline date: 10 July 2023
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> Approves the disposal of the former TK Maxx and New Look Building, 62-68 Bridge Street. Delegates authority to the Executive Director for Place and Economy, in consultation with the Executive Director for Corporate Services, the Director of Law and Governance, and the Cabinet Member for Legal, Finance and Corporate Services to take all necessary steps to facilitate the decision in Recommendation 1, including approving the final terms of acquisition and entering into any necessary agreements. 	

1. ORIGIN OF REPORT

- 1.1 The report is submitted to Cabinet as a referral from the council's Corporate Leadership Team for Cabinet to consider the disposal of an asset that is held within the Towns Fund Programme.

The financial detail and rationale of the potential disposal are set out in the Exempt Annex.

2. PURPOSE AND REASON FOR REPORT

- 2.1 The purpose of this report is to request approval for the disposal of the former TK Maxx and New Look building at 62-68-Bridge Street.
- 2.2 This report is for the cabinet to consider under its Terms of Reference No. 3.2.3, '*To determine any key decision ...*' and 3.2.4, '*To be responsible for budget planning, monitoring and expenditure/savings over £500,000, including Discretionary Rate Relief ...*'.
- 2.3 There is an exempt appendix attached to this report that is NOT FOR PUBLICATION by reason of paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972 because it contains information relating to the financial and business affairs of the Council. The public interest test has been applied to the information contained within this exempt appendix and it is considered that the need to retain the information as exempt outweighs the public interest in disclosing it.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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4. **BACKGROUND AND KEY ISSUES**

- 4.1 The building at 62-68 Bridge Street was acquired by the council in August 2020 using grant finance from the Towns Fund, and had been intended to accommodate the Vine project that forms one of the eight projects in the Towns Fund programme.

The Vine project has a defined budget envelope. It has subsequently been established that the refurbishment of the building to develop the Vine project is no longer economically viable, within this budget envelope, due to the current challenging market conditions. Therefore, alternative locations have been identified to deliver the Vine project in its entirety within the project's fixed budget.

The Towns Fund Board approved the development of alternative locations for the Vine project in May 2023.

The building is therefore surplus to requirements and is currently unoccupied. There is grant funding tied up in the building that needs to be recovered and redistributed to projects in the Towns Fund programme. In addition, there are service holding costs for the building.

5. **CORPORATE PRIORITIES**

- 5.1 The following outlines how the recommendation links to the Council's Corporate Priorities:

The Economy & Inclusive Growth

Environment

A Carbon Impact Assessment has been completed. It states that:

Disposal of the building will not have any direct impact on carbon emissions. However, disposal will mean that the council is not able to determine the energy efficiency and energy usage of the property in the future, and so this influence will be lost.

Jobs & Money

The acquisition costs for the 62-68 Bridge Street building were significant and the ongoing costs are a liability for the wider Towns Fund programme. This presents a risk to the delivery of other projects that could benefit the community.

Our Places & Communities

Places and Safety & Health and Wellbeing

The recycling of funds received from the sale of the building into the Towns Fund programme will benefit the wider community from the successful delivery of the eight projects included in the programme.

6. **CONSULTATION**

- 6.1 Engagement with stakeholders has taken place with the following:
- DLUHC (Department for Levelling Up, Housing and Communities)
 - Towns Fund Board
 - Local Councillors
 - Peterborough MP
- 6.2 This recommendation has been considered by:
- Corporate Leadership Team – 20 June 2023

- Cabinet Policy Forum – 26 June 2023

7. ANTICIPATED OUTCOMES OR IMPACT

7.1 Following disposal, the building/site will be either occupied or re-purposed.

8. REASON FOR THE RECOMMENDATION

8.1 The recommendation is put forward to seek approval to dispose of the Property and to be able to take all necessary steps to facilitate that disposal including negotiating with third parties.

The receipts from the sale are intended to be recycled into the Towns Fund programme and the current financial liabilities associated with holding the building will be extinguished.

The currently unoccupied building/site will either be occupied or re-purposed and therefore contribute to the animation of Bridge Street.

9. ALTERNATIVE OPTIONS CONSIDERED

9.1 **To do nothing** – This option was discounted as the building is currently unoccupied and therefore a blight on the physical environment. There is also grant funding tied up in the building that needs to be recovered and recycled. The holding costs for the building are also a financial liability.

10. IMPLICATIONS

10.1 Financial Implications

Financial implications are set out in the Exempt Annex.

10.2 Legal Implications

The Council has powers under Section 123 of the Local Government Act 1972 which includes requirements to obtain best consideration which will need to be taken into account when agreeing the terms for the sale of the property.

A review of the grant funding agreement will also need to be undertaken as part of this consideration for the disposal of the property to ensure that any actions are in accordance with the terms of the grant funding agreement. Legal advice should be sought on this and documented.

10.3 Equalities Implications

There are no foreseen equalities implications for this report and recommendation.

11. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

11.1 The Towns Fund Vine Summary Document and grant conditions form part of the background documents to this report.

12. APPENDICES

12.1 Appendix 1 - Exempt Annex

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