

**North East Derbyshire District Council**

**Cabinet**

**19 November 2014**

**Sale of Ridgeway Craft Centre**

**Report No: PW/11/14/BM of Councillor P Williams, Portfolio Holder with  
Responsibility for IT, E-Information and Asset Management**

**Purpose of the Report**

- To update Cabinet concerning the position in respect of Ridgeway Craft Centre.

**1 Report Details**

**Ridgeway Craft Centre**

- 1.1 Cabinet agreed at its meeting in May 2009 to dispose of its interest in the Ridgeway Craft Centre on the basis of securing best value. Given the requirement to secure best value the Council has continued to work on the basis that an agreed disposal with the owner of an adjacent leasehold holding – of which the Council is the freeholder – represents the most appropriate way forward. This is because there are a number of shared access rights over the former Craft Centre and the adjacent leasehold land. Given that planning permission for a residential development of both sites is now in place it is considered likely that a disposal for residential purposes is the appropriate route for securing best consideration. The shared rights of access unless extinguished would make the property considerably less attractive to any potential purchaser, thus reducing the value of both plots of land.
- 1.2 At the Cabinet meeting of September 2011 the terms of a proposed sale of the former craft centre to a consortium including the leaseholder of the adjacent – but unused garden centre – were agreed. The offer made by the consortium was the highest received by the Council. In addition to market testing the Council engaged the services of Knight Frank a residential property specialist to ensure that the Council received full benefit from the increased value of its site which would arise from the extinguishment of the shared access rights.
- 1.3 In the spring of 2014 the prospective purchaser secured planning permission for the whole site which was the final outstanding condition before the completion of the sale. The Council set a deadline of the end of July 2014 for completion of the sale and when this deadline was not met the Council withdrew from sale to the consortium given the inability to conclude the transaction in a reasonable period of time.

- 1.4 While the proposed sale to the consortium has broken down, given the nature of the site an agreement with the adjacent landowner is essential if the Council wishes to secure best value. Disposal by a single transaction would clearly maximise the value of the site and would facilitate a more comprehensive redevelopment. Accordingly, through our agent in this matter Knight Frank, preliminary discussions have commenced with the leaseholder to seek to progress a joint disposal of the two properties. Further reports will be brought back to Cabinet as appropriate concerning progress in this matter.
- 1.5 At the same time as the Council is seeking to progress a sale of the former craft centre, a Community Group has requested that the former craft centre be listed as an Asset of Community value. The Chief Executive has taken the view that listing is appropriate in this instance and accordingly the former craft centre has been placed on our list of assets of community value. The nature of community assets together with the impact of listing are set out in DCLG guidance.
- 1.6 In the case of the former Ridgeway Craft Centre the main impact is that the landowner – in this case the Council – is required to allow interested community groups a period of 6 months within which to put together a ‘bid’ to purchase the property, if within the initial 6 week period a community interest group triggers this period. While the Council is required to allow this period of time for the community group to raise the money and make an offer, the Council is not obliged to sell to a community interest group and may not sell to anyone else during the 6 months. The Council still has the obligation to sell for the best price possible during this period. At the end of the 6 months, the Council is free to sell the asset to whoever provides the best offer, be that a community interest group or another purchaser. Given the Council’s longstanding commitment to dispose of the asset at the best price reasonably obtainable the Director of Operations has informed the Community Group which has expressed an interest, that the former craft centre is currently up for sale and has taken steps to inform the Community Group concerned of the current position. This will trigger the initial 6 week period.

## **2 Conclusions and Reasons for Recommendation**

- 2.1 That Cabinet note the report which provides an update of the current position and given that the land has been designated as an asset of community value means that no sale can be concluded within a six month period, save to a community interest group.

## **3 Consultation and Equality Impact**

- 3.1 There are no impacts arising directly from this report.

## **4 Alternative Options and Reasons for Rejection**

- 4.1 This report is for information only and therefore no options are provided.

## **5 Implications**

### **5.1 Finance and Risk Implications**

- 5.1.1 These are covered throughout the report.

## 5.2 Legal Implications including Data Protection

5.2.1 These are covered throughout the report.

## 5.3 Human Resources Implications

5.3.1 These are no HR issues arising directly from this report.

## 6 Recommendations

6.1 That Cabinet notes the position with respect to the Ridgeway Craft Centre and requests officers to provide further update reports concerning the progress of the sale as appropriate.

## 7 Decision Information

<b>Is the decision a Key Decision?</b> (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
<b>District Wards Affected</b>	Ridgeway and Marsh Lane.
<b>Links to Corporate Plan priorities or Policy Framework</b>	Provide good value, high performing services. Regenerate our towns and villages.

## 8 Document Information

Appendix No	Title
N/A	
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
N/A	
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