

# EXECUTIVE MEMBER DECISION



<b>REPORT OF:</b>	Executive Member for Resources
<b>LEAD OFFICERS:</b>	Director of Growth and Development
<b>DATE:</b>	23 <sup>rd</sup> October 2019

<b>PORTFOLIO/S AFFECTED:</b>	Resources
<b>WARD/S AFFECTED:</b>	Blackburn Central

**SUBJECT:** Disposal of land and buildings by auction at 50-54, Church Street, Blackburn.

**EXECUTIVE SUMMARY** The Blackburn Town Centre retail market is dominated by The Mall Shopping Centre where the majority of the national retailers represented in the Borough are situated. It is difficult to attract significant national occupiers to units outside the The Mall and 50-54 Church Street is no exception. Whilst this investment property comprises a mixed use building with offices on the first and second floors the bulk of any rental income derives from the large retail shop at ground floor. The shop/restaurant-bar is currently vacant and the upper floors are let to Newsquest who have exercised their option to determine the lease in March 2020. The chances of attracting a well-known national retailer to take the vacant space are unlikely. As part of the ongoing strategic review this investment has been identified as one which is unlikely to perform in the short to medium term and it is recommended therefore that the Council dispose of the premises by way of auction.

## 2. RECOMMENDATIONS

That the Executive Member approves the disposal by auction of land and buildings referred to in this report on the terms recommended.

**3. BACKGROUND** The Council initially leased the premises for use as a visitors centre in 2004. In 2006 the Council acquired the freehold and refurbished the upper floors including for the installation of a lift to meet DDA requirements. The Visitors Centre vacated the retail premises in 2009 and they were then let to Blackburn Rovers A.F.C. between 2010 to 2016 followed by Gioia Italiano in 2017 and the early months of 2018. The ground floor has now been vacant since May of last year and Newsquest are due to vacate the upper floors in March of next year. The opportunities to find suitable tenants for the accommodation are slim and now would therefore be a suitable time to dispose of the building. A guide price of £400k. has been placed on the auction sale.

## 4. KEY ISSUES & RISKS

The proposed sale would release funds for re-investment within the Borough in property sectors which would encourage employment creation.

## 5. POLICY IMPLICATIONS

The disposal method accords with the Council's approved policy for disposal.

## 6. FINANCIAL IMPLICATIONS

The Council will receive a capital receipt but lose the opportunity to realise any annual rent.

## 7. LEGAL IMPLICATIONS

The reasoning and consideration as to the Council's disposal policy has been discussed elsewhere. Under S.123 of the Local Government Act 1972 the Council is obliged to obtain best consideration reasonably obtainable.

## 8. RESOURCE IMPLICATIONS

Legal and surveyor resources are required to complete the transaction.

## 9. EQUALITY AND HEALTH IMPLICATIONS

**Please select one of the options below. Where appropriate please include the hyperlink to the EIA.**

Option 1  Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2  In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. *(insert EIA link here)*

Option 3  In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

## 10. CONSULTATIONS

The proposal has been subject to consultations between Council Officers and relevant members of the Growth Board.

## 11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

## 12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded and published if applicable.

<b>VERSION:</b>	<b>1</b>
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<b>CONTACT OFFICER:</b>	Steve Darwin
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<b>DATE:</b>	23 <sup>rd</sup> October 2019
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<b>BACKGROUND PAPER:</b>	
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