

Report of the Corporate Landlord

The Former Lendal Bridge Sub-Station, Wellington Row

Summary

1. This report asks Members to consider the future use of a former sub-station at Wellington Row, adjoining Lendal Bridge.

Background

2. This Grade II listed building, shown verged black on the plan at Annex 1, was constructed as a sub-station circa 1920 by the then York Corporation. It has been operated by various electricity boards until being recently decommissioned by Northern Electric Distribution Limited and has now reverted back to the council. The building has a gross internal area of 105 square metres (1139 sq ft).
3. The external condition of the building is reasonably good however, the building contains no services and is a 'shell' with concrete plinths and ducts remaining from the NEDL occupation. There are three steps up on entry, and a split floor level. The building forms part of the city's flood defences; work has been carried out by the Environment Agency to strengthen the concrete floor and the windows on the riverside elevation are sealed. This basic structure must be maintained. The Environment Agency have notified us that they will require access during larger floods, and to undertake 6 monthly inspections, and to implement any necessary maintenance work. Future works may be required to upgrade the existing flood defences.
4. It is a substantial stone building and it will require significant investment to adapt the building to a beneficial use. Refurbishment of the property will also create a number of planning challenges on which English Heritage will have a major input.
5. Consideration has been given to conversion of the premises for a new Visitor Information Centre however, it is not considered to be suitable for a number of reasons including that it was too small and footfall is greater on the other side of the river.

Consultation

6. Ward Members have been consulted. Ward Members asked if a community use or a Cycle Park Centre had been considered. No need has been identified for a community centre.
7. The council's Transport Planning Unit (TPU) have for some time had an aspiration to open a secure cycle park on the periphery of the city centre where cyclists would pay a nominal daily fee to have their cycle stored under cover in a staffed facility. This type of facility would offer a more secure and weather-proof alternative option to locking a cycle to a tubular steel inverted u shaped "Sheffield" stand in the city centre and would be primarily aimed at cycle commuters working in the city centre. The centre could also offer other facilities such as cycle servicing and/or cycle hire.
8. The investigation of suitable sites for such a centre has been included in the recently re-written Cycling Strategy which was included as an annex to the council's second Local Transport Plan.

Options

9. The following options are available:
 - a) Sell the freehold.
 - b) Retain the building and invest capital in it to install services and convert it for commercial use, with a view to letting it on the open market at full rental value.
 - c) Carry out the Secure Cycle Park feasibility study.

Analysis

10. Option a), sale of the freehold, this would secure a capital receipt for the council in the next financial year. An estimate of the amount of the likely receipt is provided at confidential Annex 2.
11. Option b), retaining the building and carrying out a conversion would require significant investment. The estimate for the Visitor Information Centre in Autumn 2005 which included constructing an additional floor within the building, was £675,000. Such investment would be highly speculative, as the end user is not known, and is not therefore recommended.
12. Option c), the feasibility study would provide information on the cost of converting the building to a secure cycle park and a business case for its operation.

Corporate Priorities

13. As part of the 2006-07 budget, Members earmarked this property for disposal to contribute towards the funding of the 2006-09 capital programme.
14. The former Planning & Transport EMAP Scrutiny panel endorsed the idea of a secure cycle park as part of their report on "Cycle Policy and Provision of Facilities in York" dated 27 September 2004, where they made the following recommendation:

"That City of York Council identify potential opportunities in and/or around the city centre to build a safe and ideally sheltered cycle parking facility. This facility should use innovative ways to ensure a high level of security for bicycles parked in it."

This was well received by the Executive who directed that it be taken on board as part of Local Transport Policy 2 and the revised cycling strategy.

Implications

• Financial

15. For option (a), The sale of Lendal Bridge sub-station currently forms part of the funding for the capital programme with the disposal being accounted for in the 2007/08 financial year. Failure to realise this sale by this date would leave a shortfall in the funding of the capital programme as per confidential Annex 2, this would result in increased pressure being placed on the remaining receipts to fund the programme. At the full Council meeting on 1 March 2006 members did resolve to agree the asset sales listed, including this property. Failure to realise the overall receipt targets may lead to reduction in the overall capital programme or the use of alternative funding mechanisms, the most likely of which would be prudential borrowing. The financial implications of unsupported borrowing would be incurring an ongoing charge to the revenue account in the form of Minimum Revenue Provision (4% per annum of receipt value) and the interest cost of the loan itself (approximately 4.65% per annum of receipt value). Such costs are shown at confidential Annex 2.
16. For option (b) Members would need to approve a subsequent capital programme item.
17. In relation to option (c), a sum of £5,000 has been allocated in this financial year's transport capital programme, funded by the Local Transport Plan settlement, to investigate options for secure cycle parking in the city centre. It is proposed to use this sum to investigate whether Lendal Sub-Station would be suitable. Providing the work required to fit out the building is not excessive, then sufficient capital

may be available within the Local Transport Plan allocation to undertake the works. Ongoing revenue costs will be considered as part of the feasibility study and business plan. The feasibility study and preparation of the business plan would determine whether the proposal is viable and what level of income might be generated for the council. It is likely that the study would take in the region of 3 months to prepare.

- **Human Resources (HR)**

18. A Secure Cycle Park would need to be staffed, although if a package including cycle storage, cycle servicing and cycle hire were to be offered to the commercial market, an external operator may be found to run it as a business and provide his own staff.

- **Legal**

19. There are no title deeds to the building, however proof of council ownership prior to 1947 can be established, and NEDL have acknowledged this and have returned the keys to us. Legal Services are commencing steps to register our title at the Land Registry.

- **Crime and Disorder**

20. Secure Cycle Parking would lead to a reduction in cycle theft in the city centre.

- **Information Technology (IT)**

21. There are no Information Technology implications

- **Property**

22. Implications are included within the report.

- **Other**

- Any structural alterations to the building would need to be carried out under the guidance of the Environment Agency to maintain the integrity of the flood defences.

Risk Management

24. In compliance with the Council's risk management strategy there is a very low risk associated with the recommendations of this report. Until absolute title has been obtained from the Land Registry, which should be forthcoming within a matter of weeks there is a very low risk of a defect being found with our claim for title.

Recommendation

25. Members are asked to consider either:

- a) Sell the property for the best sum available on the open market.

Reason: In order to obtain a capital receipt to contribute towards the 2006-09 capital programme.

- b) To delay the sale of the property for approximately 3 months to allow time to investigate the possibility of converting the building to a secure cycle park and report back jointly with the Director of City Strategy with the findings.

Reason: To determine whether a viable case can be made for retaining the building for this use.

Contact Details

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**Report
Approved**



Date July 2006

**Report
Approved**



Date July 2006

Wards Affected:

All

Micklegate

For further information please contact the author of the report

Background Papers:

Background Papers: All the information in this report is held on the Property Services file, subject to confidentiality on exempt negotiations.

Annexes

1 – Plan

2 – Confidential Valuation