

Agenda Item No: 8 **Report No:** 44/17
Report Title: Response to Petition – Turkish Baths
Report To: Council **Date:** 23 February 2017
Cabinet Member: Cllr Bill Giles
Ward(s) Affected: All
Report By: Nazeya Hussain, Director of Regeneration and Planning
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Purpose of Report:

To respond to the petition submitted to Council on 7 December 2016 regarding the future use of a property at 35 Friars Walk, known as the Turkish Baths.

Officers Recommendation(s):

- 1 To note and debate the petition in line with the Council’s petitions scheme.
- 2 To recommend that officers engage and consult with residents, businesses and other groups and stakeholders through the development of a planning application for the site and that the asset is marketed appropriately.

Reasons for Recommendations

- 1 At the meeting on 7 December 2016, Council received a petition from Councillor Carter containing a combined total of 1609 signatures. The petition stated:

“We the undersigned call upon Lewes District Council to fully explore a range of options for the future use of the building called the Turkish Baths in Friars Walk, Lewes. These options should include exploring the potential for a creative hub and other uses not relying on full refurbishment prior to use and ways to ensure that this public building remains accessible and used by a wide section of the local community.”

In light of the number of signatures and in accordance with the Council’s petitions scheme, it was agreed that the petition would be debated by the Council as an individual agenda item at the meeting of Council on 23 February 2017.

Information

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- 2.1** The Council owns the freehold of land at Friar's Walk known as the Turkish Baths, comprising of a single-storey building constructed in the late 19th century. No parts of the original baths remain following its closure as a Turkish Baths in 1882. The building is not listed and is not registered as an Asset of Community Value. However, it is within the South Downs National Park and so is protected by the conservation area.
- 2.2** Since 1992, when it was purchased by the Council, the building housed the Council's print unit, but in June 2015, the service transferred to Eastbourne. Consequently, the building is currently empty and, in line with the Property Strategy adopted by the Council in May 2012, is surplus to service requirements.
- 2.3** There has never been any regular or long-term community use of the Turkish Baths whilst in the ownership of LDC as it did not operate as a public building. However, in recent months, there have been a handful of occasions where not-for-profit groups have been able to make use of the facility.
- 2.4** In July 2008, Cabinet approved a recommendation to adopt a policy of open market rents for all leases. Since then, all new leases have been granted on an open market basis with the aim of achieving best consideration.
- 2.5** Under Section 123 of the Local Government Act 1972, the Council has a duty not to dispose of a property for anything less than the 'best consideration.' This principle is usually tested through a combination of a site valuation and comparables from the open market. A disposal is defined as a freehold transfer; or a grant (or assignment) of a lease exceeding 7 years.
- 2.6** In July 2016, Cabinet received a report which set out three options for the Council to consider in respect of the building namely:
- (a)** Refurbishing the building prior to leasing
 - (b)** Leasing the building in its current form.
 - (c)** Sale of the freehold.
- 2.7** The Council has a serious financial challenge ahead, with a need to reduce its budget by £2.2m by 2020. As a result, the Council is looking at a range of ways to deliver the savings needed to ensure that Council services will continue without threat of cuts. Increasing commercial income is an important contributor towards the savings target.

- 2.8** The Council could let the Turkish Baths without undertaking the refurbishment works needed. However, there are a number of reasons why refurbishment is the best option:
- (a)** Refurbishment will increase the capital value of the asset and extend its useful life. Additionally, refurbishment will help to preserve the building for the future.
 - (b)** Reduce ongoing maintenance liabilities. It is unlikely that a tenant would take on a fully repairing and insuring lease on a building which had not been brought up to a modern standard. Changes to legislation will make it more difficult to let buildings in the future if they do not meet a basic energy efficiency standard.
 - (c)** Improve the likely rental yield on the open market, therefore meeting the best consideration test. A modernised building will be more attractive to the lettings market.
 - (d)** Historically, the building has been very difficult to heat in the winter and carrying out the re-glazing and underfloor insulation will both reduce running costs and improve the building's energy efficiency rating. Opening up the space by removing the internal partitions will also create the opportunity for more flexible use of the space and will hopefully appeal to a wider range of potential tenants.
- 2.9** The planned schedule of refurbishments is largely contained to the fabric of the building (ie the walls, windows, floor and roof). These works would continue to be the Council's responsibility if the building is not refurbished prior to letting.
- 2.10** It is proposed to market the building on an enhanced shell and core basis, ie a functional space with capped-off services which will then be the responsibility of the tenant to fit out. A range of uses, including use by the community, will be considered – subject to planning consent if a change of use is required.
- 2.11** There has been considerable interest from people wishing to lease the Turkish Baths and once the refurbishment work is nearing completion, the opportunity to lease (at the prevailing market rent at the time) will be advertised on the Council's website and with local agent(s).

Financial Appraisal

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- 3.1** There are no financial implications arising as a result of this report. Any potential financial implications will be considered if and when the matter is considered by Cabinet.
- 3.2** It should be noted however, that letting a modernised building in this location will probably achieve a rental income of £40,000 or more per

annum (depending on use). A budget for rent income from this site has been included within the 2017/2018 General Fund service estimates.

Legal Implications

4 The Legal implications are contained within the body of this report.

Risk Management Implications

5 The key risks are set out in paragraphs of this report.

Equality Screening

6 Please see Appendix A.

Background Papers

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Appendices

8 Appendix A Equality Impact Assessment

Appendix A: Equality Analysis Report Template

Title:	Response to Petition: Turkish Baths
EA Lead :	Bee Lewis, Head of Property and Facilities
EA Team:	
Date Commenced:	3rd January 2017
Target Completion Date:	2 February 2017
Reason for assessment:	Report to Council

Context and Scope

1. What are the main purposes and aims of the service/project/decision?

To assess the equalities impact of the recommendations within the report to Council concerning the future use of the Turkish Baths.

2. What effect does it have on how other organisations operate and what commitments of resources are involved?

The recommendations, if approved, will enable the delivery of a new building for rent in Lewes which has previously been unavailable to the public.

3. How does it relate to the demographics and needs of the local community?

Lewes has a vibrant economy with a number of independent businesses in the town. There have been a number of expressions of interest from a range of potential leaseholders.

4. How does it relate to the local and national political context?

In response to the local and national pressures, the Council recognises that property management offers an opportunity to close the gap between the current savings targets and future efficiencies, through more efficient stewardship of its assets. In addition, the Council regards the Turkish Baths as a singular opportunity to deliver a high-quality building for rent in the District which will be of benefit to local businesses.

5. Is there any obvious impact on particular equality groups?

	Race (includes ethnic or national origins, colour, & nationality)			Disability (includes mental & physical)			Gender (includes gender reassignment)			Pregnancy (includes maternity & paternity)			Sexual Orientation (includes heterosexual, homosexual & bisexual)			Religion & Belief (includes all faiths, beliefs & agnostic)			Age (includes all age groups)		
Impact	Positive	Negative	None	Positive	Negative	None	Positive	Negative	None	Positive	Negative	None	Positive	Negative	None	Positive	Negative	None	Positive	Negative	None
Tick if relevant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6. How does it help to us meet our general duties under the Equality Act 2010?

Refurbishing the building and letting it on the open market will ensure that the opportunity is available to all people who might be interested in running a business or venture from the building.

7. What is the scope of this analysis?

Adopting the recommendations any lead to positive impacts for people with protected characteristics, depending on the eventual use of the building. It could also deliver economic benefits and support job creation.

Information gathering and research

8. What existing information and data was obtained and considered in the assessment?

None

9. What gaps in information were identified and what action was undertaken/is planned to address them?

None

10. What communities and groups have been involved and what consultation has taken place as part of this assessment?

None

Analysis and assessment

11. What were the main findings, trends and themes from the research and consultation undertaken?

N/a

12. What positive outcomes were identified?

N/a

13. What negative outcomes were identified?

N/a

Action planning

14. The following specific actions have been identified: *(see paragraph 25 of the guidance)*

Issue Identified	Action Required	Lead Officer	Required Resources	Target Date	Measure of Success
Please see the body of the report for recommendations					

Summary Statement

Between *(insert start date)* and *(insert end date)* Equality Analysis was undertaken by *(insert Lead Officer)* on the *(insert strategy, policy, service, decision, action, project or procedure)*.

Due regard was given to the general equalities duties and to the likely impact of the policy/service/decision/project* on people with protected characteristics, as set out in the Equality Act 2010.

The assessment identified:

*No major changes are required. The EA demonstrates the service/policy/decision/project is robust, there is little potential for discrimination or adverse outcomes, and opportunities to promote equality have been taken.

Approval

Director/Head of Service	Nazeya Hussain
Signed	
Dated	2 nd February 2017