

Officer Decision Record



This form records an officer decision and is published in accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 and the Openness of Local Government Bodies Regulations 2014.

Decision Maker:	Suzan Harrington, Director of Corporate Services and Commissioning
Lead Officer:	Phil Hiscott, Strategic Asset Management and Property Services Manager
Title of Decision:	Disposal of seven car parking spaces in New Lane Car Park to facilitate the regeneration of Market Cross Shopping Centre
Ward(s) Affected:	Selby East
Type of Decision:	<input type="checkbox"/> Key decision <input checked="" type="checkbox"/> Non-key decision discharging (or connected to the discharge of) an Executive function <input type="checkbox"/> Specific delegation from Council or Committee <input type="checkbox"/> Grant of permission / licence <input type="checkbox"/> Affecting the rights of an individual <input type="checkbox"/> Awarding a contract or incurring expenditure which materially affects the financial position of the Council <input type="checkbox"/> Decision under urgency
Details of decision:	<p>RESOLVED:</p> <p>To approve the disposal of seven car parking spaces in line with best consideration to facilitate the regeneration of Market Cross Shopping Centre.</p>
Reason for decision:	<p><u>Background:</u></p> <p>The Council was contacted by the owner of Market Cross Shopping Centre regarding the acquisition of seven car parking</p>

spaces in New Lane Car Park in order to facilitate the creation of an outdoor space; the latter being required to support the regeneration of the shopping centre and bring the (vacant) former Virgin Money building back in to use.

This proposal will see the creation (subject to planning) of a new all-day café/bar/restaurant facility operated by Loungers plc.

Loungers

Loungers plc. is an operator of all day café / bar/ restaurants across England and Wales under two distinct but complementary brands - Lounge and Cosy Club; the main difference being that Cosy Clubs tend to be more formal occasion-led city-based outlets whereas those outlets which are designated Lounges are either city or town located but have more of a locally based community element to their appeal. 80% of customers live locally and 90% are multiple visitors. A 'Lounge' is a neighbourhood café/bar combining elements of a restaurant, British pub and coffee shop culture.

Lounges appeal to a diverse customer base, offering something for everyone regardless of age, demographic or gender.

Founded in by three friends in Bristol in 2002, the idea was to create a neighbourhood café/bar that they would want to go to. Since opening their first venue, the business has gone from strength to strength and now operates 168 sites across England and Wales (30 Cosy Clubs 138 Lounges). Loungers continues to expand and plans to return to its pre-pandemic target of opening 25 new sites per annum. On average a Loungers outlet will generate income in excess of £1m per annum.

Loungers in Selby

Part of the expansion sees them looking to grow up through North Yorkshire and on to Tyne and Wear and they have identified Selby as a suitable location given the right building.

Loungers have a reputation for being 'ahead of the curve' and opening in "up and coming" locations before the other national operators. Their interest in Selby should therefore be taken as a sign of confidence in the town, a reflection of the good work done to date and the further plans for revitalising the town centre.

Consultation with colleagues within the Economic Development and Regeneration team indicates the presence of Loungers in Selby would be an extremely welcome addition – providing an exciting new hospitality option for residents and visitors alike,

whilst also tempting an element of the market that might travel to Leeds or York for a night out to stay in Selby instead.

It's creation will provide high quality jobs with a highly respected career structure and training programme. In addition, evidence from other locations where Loungers have opened suggest it will act as a catalyst for other businesses, existing and new, to invest in the town.

The designs for the site will make a positive contribution to revitalising the town centre and complement well with other projects and strategies to revitalise the town such as the Selby Station Gateway Project, the High Street Heritage Action Zone and the Cultural Development Framework.

The opening of Loungers in Selby would also enhance the offer that we can promote through our Visitor Economy and Heart of Yorkshire branding.

Impact on the Council

Modern hospitality venues depend heavily on outside space. The use of outside space has long been an intrinsic part of hospitality businesses in mainland Europe and its popularity in the UK has grown significantly in recent years, kick-started by the smoking ban in England which was instigated in 2007 and given a significant boost during the Covid pandemic.

In order to fulfil their proposals, Loungers need some outside space for the proposed venue, and to this end, the owners of Market Cross Shopping Centre have asked Selby District Council to agree to the sale of the 7 parking spaces directly behind the former Virgin Money building to facilitate outside space for the new venture.

The provision of outside space is essential to this project moving forward and the car parking spaces are the only option to provide that. The sale therefore of the 7 car parking spaces is thus an essential component in Loungers opening up in Selby.

Impact on car parking provision

There is adequate public car parking in Selby without the 7 spaces in question, with 819 council-owned public car parking spaces and 941 non-Council owned public car parking spaces in the town centre.

New Lane Car Park currently holds 48 spaces, thus the loss of 7 car park spaces equates to less than 0.9% of council owned

	<p>public car parking provision and less than 0.4% of overall public car parking in the town centre.</p> <p>Average occupancy across council-owned car parks in Selby Town Centre is at 38% and even on market days, when parking is at its maximum demand, occupancy is at 84%.</p> <p>Therefore, even at the busiest times there will be opportunities for people to park in other car parks – so displacing the demand to other car parks, thereby reducing potential lost income overall across the car parking estate.</p> <p><u>Best consideration</u></p> <p>The Council has commissioned an independent Red Book valuation of the site in order to inform discussions with the Landowner.</p> <p>The valuation has determined the spaces would command a price in the order of £7,500 per space or £52,500 for all seven; with the latter being rounded down to £50,000 to reflect a small quantum discount for all seven spaces being purchased in one transaction based on it being unlikely the spaces would ever be disposed on an individual basis.</p> <p>Through negotiation with the adjacent Landowner an ‘in principle’ purchase price of £52,000 has been agreed, with the sale being subject to Planning Permission and the creation of the Lounges venue. Appropriate clauses will be included in the transfer documentation to this effect.</p> <p>All legal costs associated with the transaction will be met by the purchaser.</p>
<p>Alternative options considered and rejected:</p>	<p>None.</p>
<p>Member Interests: (Name of any Member who has declared a conflict of interest in relation to the decision and details of any dispensation granted by the Head of Paid Service if appropriate)</p>	<p>None.</p>

<p>Legal, Financial or other implications:</p>	<p>The disposal of the seven car parking spaces does have potential implications on the Council's revenue returns going forwards of circa £9,018 per annum (based on current usage and charges). However, it is likely that most of this will be recovered where users displace into other car parks that are not operating at capacity. Taken together with the associated regeneration benefits of the wider proposal to Selby Town Centre and potentially greater demand for other empty venues in the town centre based on increased footfall and the reputational 'pull' of the incoming business.</p> <p>Consideration has not been given to a disposal by way of a lease as we are responding to a specific request to facilitate a particular project. The request was to purchase the freehold in relation to this area of land. The disposal will be conditional upon delivery of the proposed project.</p> <p>The funds from the disposal will be transferred to the capital receipts reserve.</p>
<p>Background papers:</p>	<p>Valuation Report from Knight Frank</p>
<p>Contact details for further information:</p>	<p>Suzan Harrington, Director of Corporate Services and Commissioning sharrington@selby.gov.uk</p> <p>Phil Hiscott, Strategic Asset Management and Property Services Manager phiscott@selby.gov.uk</p>
<p>Signed:</p>	<p>No signature</p> <p>Suzan Harrington – Director of Corporate Services and Commissioning sharrington@selby.gov.uk</p>
<p>Date of Decision:</p>	<p>7 April 2022</p>