

Appendix B is NOT FOR PUBLICATION
By virtue of paragraph 3 of Part I of Schedule 12A
of the Local Government Act 1972

Mr Hunt, Cabinet Member for Finance and Resources	Ref No: FR06 (19/20)
June 2019	Key Decision: Yes
Disposal of freehold land known as Angel's and Hyde Nurseries, Yapton Road, Barnham, West Sussex PO22 0AY	Part I: Report Part II: Appendix B for Members Only
Report by Executive Director of Place Services	Electoral Division: Fontwell
<p>Summary</p> <p>To accord with County Council Standing Orders, this report advises on the outcome of the formal marketing of land at Angel's and Hyde Nurseries, Yapton Road, Barnham, West Sussex, PO22 0AY.</p> <p>Offers have been received and progressed in stages to raise certainty. Approval is sought to sell to the highest bidder in an unconditional contract. The property was declared surplus in 2018, FR17(17/18).</p>	
<p>West Sussex Plan: Policy Impact and Context</p> <p>The County Council's Future West Sussex Plan sets out its ambition to minimise the burden of local taxation, delivering the best outcomes for residents with the money it spends, whilst living within its means. In 2018 the County Council agreed to adopt an Asset Management Policy and Strategy. An objective of this Strategy is to acquire, manage, maintain and dispose of property effectively, efficiently and sustainably, together with optimising financial return and commercial opportunities. In line with the Strategy the County Council has completed a programme of work to raise the land value on this estate and now proposes to make a freehold disposal of the title to land known as Angel's and Hyde Nurseries, Yapton Road, Barnham, West Sussex, PO22 0AY.</p>	
<p>Financial Impact</p> <p>The County Council will receive a capital receipt for the disposal. Selling agent's fees will be deducted from the sale proceeds. The capital receipt will be used to fund the County Council's Capital Programme.</p>	
<p>Recommendations:</p> <p>That the Cabinet Member endorses:</p> <ol style="list-style-type: none"> 1) The disposal of the freehold estate known as Angel's and Hyde Nurseries, Yapton Road, Barnham, West Sussex, PO22 0AY; and that 2) Authority is delegated to the Executive Director of Place Services in conjunction with the Director of Law and Assurance to conclude the terms with the successful bidder. 	

PROPOSAL

1. Background and Context

- 1.1 The land title comprises two areas totalling 3.3ha (8.16 acres) originally acquired for £6,150 to provide work for services' personnel returning after WWI. Since becoming vacated from horticultural nursery use the site has been the subject of three further planning applications to appeal against an initial refusal (2010) and latterly enhance an early consent (2016), with a view to maximising land value.
- 1.2 The property was declared surplus to the County Council's operational requirements in January 2018, FR17(17/18).
- 1.3 Recently the County Council has sought to maximise the value of the land out of the consent for 95 dwellings granted in May 2017 by developing the planning design to discharge conditions, this was achieved in December 2018.
- 1.4 At its meeting in November 2018 the PropCo Panel reviewed a development appraisal from Wates Limited, which indicated a projected return on gross development value of 13%. The Panel considered the amount to provide insufficient margin in an uncertain market and measures to raise value likely to reflect of the standing of the County Council. The Panel supported marketing the site with a view to selling. This was agreed through a Key Decision FR88(18/19)
- 1.5 Following a competitive tender the land agent Jackson Stops was appointed in January 2019 to market the property for sale an unconditional basis with the benefit of the planning consent and discharged conditions.
- 1.6 A formal marketing campaign was progressed with a tender concluding 17th April 2019 and 15 offers were received. Following further investigation two further tenders were conducted to reduce the conditions and press for higher bid offers. The final tender returned 22nd May 2019 with concluding interviews 29th May 2019. In the following report the selling agent is now recommending acceptance of the highest bid. Details of the offers received are in Appendix B Part II of the report (for Members only).

2. Proposal Details

- 2.1 The proposal is to sell to the preferred bidder as outlined in Appendix B Part II.
- 2.2 The highest bidder is to be given a target to complete within 8 weeks. Subject to the usual due diligence, title and contract conditions, the bid requires final formal main company board approval, although this has been indicated in the offer clarifications as being already granted in principle.
- 2.3 Should the offer be withdrawn the proposal is to progress the offer from the next highest bidder.
- 2.4 It is proposed that the Cabinet Member for Finance and Resources agrees to this transaction being concluded by delegated authority to the Executive

Director of Place Services in conjunction with the Director of Law and Assurance.

FACTORS TAKEN INTO ACCOUNT

3. Consultation

- 3.1 The Member for Southwater and Nuthurst (acting as advisor to the Cabinet Member for Finance and Resources) and the local Member for Fontwell have been consulted.
- 3.2 The PropCo Panel has been notified.

4. Financial (revenue and capital) and Resource Implications

- 4.1 The buyer will pay the agreed price for the property and selling agents fees will be deducted from the capital receipt.
- 4.2 **Revenue consequences of proposal**

Savings in security and other outgoings associated with holding vacant property will be achieved.

4.3 Capital consequences of proposal

A capital receipt will be secured on completion of the sale in 2019/20.

5. Legal Implications

- 5.1 WSCC will dispose of the freehold title, subject to the transfer to include a clawback whereby 50% of any monies in excess of the purchase price are returned to the County Council in the event the site being traded prior to completion of housing on the scheme.

6. Risk Assessment Implications and Mitigations

	Risk and result	Mitigating Action
1	The buyer withdraws and the sale does not proceed, requiring the property to be re-marketed. The potential outcome is a reduced capital receipt.	A deadline of 8 weeks to conclude the sale will be given to the purchaser. Should the sale to the preferred bidder not proceed, WSCC will offer the property to the next preferred bidder and so on. If none of the original bidders is able to proceed for a sum bid, a decision will be made as to when best to re-market the property.
2	There is continued financial uncertainty in the housing	The decision to dispose of the property within an agreed timeframe offers a

	market driven by national influences and holding the site might result in lower returns in the short term	certain outcome and mitigates risk of decline in values or site costs.
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7. Other Options Considered (and Reasons for not proposing)

- 7.1 Other options considered included the County Council directly developing the planning consented scheme. This option was rejected on the grounds of the anticipated return, compared to the gross development value, falling below an acceptable margin. The land was also considered for the pipeline of sites being offered in seeking to procure a joint venture arrangement, but discounted on the basis of the period to secure a partner and market uncertainty.

8. Equality and Human Rights Assessment

- 8.1 The Equality Assessment does not need to be addressed as this is a report dealing with an internal procedural matter only.

9. Social Value and Sustainability Assessment

- 9.1 The proposal will bring social, environmental and economic benefits by recycling vacant and surplus sites for new developments and uses, also that the site is being sold for housing development that will provide homes in the area.

10. Crime and Disorder Reduction Assessment

- 10.1 Not applicable

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APPENDIX A – Site Plan of the land at Angel’s and Hyde Nurseries, Yapton Road, Barnham, PO22 0AY

APPENDIX B – Part II