

Mr Hunt, Cabinet Member for Finance and Resources	Ref No: FR11 (19/20)
October 2019	Key Decision: Yes
Property Review: Marketing and Disposal of the land known as Land South of Littlehampton Academy, Rosemead, Littlehampton, West Sussex, BN17 6DQ	Part I: Report
Report by Executive Director Resources	Electoral Division: Littlehampton East
<p>Summary</p> <p>The proposal is to market and sell the land known as Land South of Littlehampton Academy, Rosemead, Littlehampton, West Sussex, BN17 6DQ and shown on the plan attached at Appendix A.</p> <p>The site was declared surplus in January 2018 FR17(17/18).</p>	
<p>West Sussex Plan: Policy Impact and Context</p> <p>The County Council's Future West Sussex Plan set 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 the 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 this strategy the County Council now proposes to dispose of part of the freehold of land South of The Littlehampton Academy.</p>	
<p>Financial Impact</p> <p>The County Council will receive a capital receipt for the disposal. Selling agent's fees will be funded from the sale proceeds.</p>	
<p>Recommendation: That the Cabinet Member endorses:</p> <ol style="list-style-type: none"> 1. That the County Council commences the marketing of land held by the County Council that is known as land South of The Littlehampton Academy, Near Rosemead, Littlehampton, West Sussex, BN17 6DQ as set out in Appendix A; and 2. Delegates to the Director Property and Assets the authority to carry out marketing on the basis of best value in the market conditions and to complete the sale of the land to the most advantageous bidder, providing the bid meets or exceeds the estimated value. 	

PROPOSAL

1. Background and Context

- 1.1 The site is County Council surplus land comprising approximately 2.2 ha of land known as Land South of The Littlehampton Academy, Rosemead, Littlehampton, West Sussex, BN17 6DQ. The proposal relates to the land as identified on the plan at Appendix A.
- 1.2 This area of land, approximately 2.2 ha (5.4 acres) originally comprised part of Elm Grove Infants School and Littlehampton Community College. Following the closure of the Infants School and the construction of the Littlehampton Academy, which included new a vehicular access from an extended Fitzalan Road, the site was surplus to the County Council's operational requirements. Department of Education consent has been obtained for its release.
- 1.3 The County Council sought to maximise the value of the site and following consultation with Arun District Council, planning approval for a residential development of 68 dwellings was obtained after appeal on 28 September 2016 in accordance with the terms of the application, Ref LU/55/15/OUT,
- 1.4 The disposal area was declared surplus to the County Council's operational requirements in January 2018, FR17(17/18).

2. Proposal Details

- 2.1 The proposal is to procure an estate agent to prepare particulars, provide an estimated value, market the site and handle the sale for the County Council.
- 2.2 The proposal is to then sell the site to the most advantageous bidder providing this meets or exceeds the estimated value.
- 2.2 Should the offer from the first bidder be withdrawn the proposal is to sell to the next highest bidder or to another party at an agreed minimum value. Subject to the period of time that may have elapsed, it is possible that the property may have to be remarketed.
- 2.3 The proposal remains subject to contract, survey and legal due diligence.
- 2.4 It is proposed that the Cabinet Member for Finance and Resources agrees the procurement of an estate agent to market the site and providing the bid meets or exceeds the estimated value, agrees the sale of the site being concluded by delegated authority to the Director Property and Assets.
- 2.5 If the bids fail to meet or exceed the estimated value the site will be retained and a further consideration as to future use undertaken.

FACTORS TAKEN INTO ACCOUNT

3. Consultation

3.1 The Member for Southwater (acting as advisor to the Cabinet Member for Finance and Resources) and the local Member for Littlehampton East have been consulted.

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

Estate Agent Fees and cost of the sale will be deducted from the disposal value.

4.3 Capital consequences of proposal

A significant capital receipt will be secured on completion of the sale.

5. Legal Implications

5.1 The County Council will dispose of the freehold estate in the property and will subject to negotiations impose a clawback covenant to secure a share of any financial gain which a buyer may make by submitting a revised planning permission.

6. Risk Assessment Implications and Mitigations

	Risk	Mitigating Action
1	The sale does not proceed for whatever reason and the property needs to be re-marketed resulting in a decrease in offers and a reduced capital receipt.	Should the sale to the preferred bidder not proceed, the County Council will offer the property to the next preferred bidder and so on providing the bids exceed the estimated value. If none of the original bidders is able to proceed for a sum in excess of the agreed minimum, a decision will be made as to when best to remarket the property given the current market uncertainty such a decision might include reviewing the value return potential in a joint venture property development arrangement if in place at the time.
2	There is a continued financial risk in holding on to under-utilised assets, which can delay capital receipts or income, or where there is a no or limited service benefit.	The decision to dispose of the property within an agreed timeframe.

7. Other Options Considered (and Reasons for not proposing)

- 7.1 Other options considered included the County Council progressing to bring the site forward for development. This option was discounted due to the opportunity to achieve capital receipts to fund the County Council's capital programme.

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.

10. Crime and Disorder Reduction Assessment

- 10.1 Not applicable

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APPENDIX A – Site Plan of the land at Rosemead, South of The Littlehampton Academy