

Report to Cabinet Member for Finance

December 2020

Property Review: Disposal of land to the south of The Littlehampton Academy, Fitzalan Road, Littlehampton, West Sussex, BN17 6AH

Report by Director of Property and Assets

Electoral division(s): Littlehampton East

Summary

To accord with Standing Orders, this report advises on the outcome of the marketing of the vacant potential residential development land to the south of The Littlehampton Academy and seeks the approval of the Cabinet Member for Finance to dispose of the County Council's freehold estate in the land. Offers have been received for the site and approval is sought to sell to the preferred and highest bidder having regard to the planning considerations and the costs of developing the site.

Recommendations

That the Cabinet Member endorses:

- (1) That the County Council disposes of its freehold estate in the surplus brown field site to the south of the Littlehampton Academy as set out in Appendix A of this report (restricted, members only) and;-
 - (2) Delegation of authority to the Director of Property and Assets in conjunction with the Director of Law and Assurance to conclude the terms of the sale with the purchaser.
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Proposal

1 Background and context

- 1.1 This land formerly comprised part of the Littlehampton Secondary Community School and part of Elm Grove Infant School. The latter closed in 2011 and the Infant School was demolished. The Community School became The Littlehampton Academy which was rebuilt on adjoining land with revised access arrangements from East Street via a new entrance drive, now part of the maintainable highway

forming part of the Fitzalan Road Link. The adjoining Academy site is leased to the Woodard Academy Trust.

- 1.2 The redundant Littlehampton School buildings on the site were demolished in 2012 and this land, comprising approximately 2.36ha (5.83acres) was declared surplus to operational requirements in January 2018 (FR17 (17/18))
- 1.3 The site has potential for residential development with an allocation in the Neighbourhood Plan. Access is available from Elm Grove Road but primarily from the Fitzalan Link Road, adopted as public highway and which also serves the Littlehampton Academy.
- 1.4 An outline planning permission, which has since expired, was previously secured for 68 dwellings.
- 1.5 The site had been part of the Propco programme for direct WSCC development but given the need for capital receipts, it was subsequently agreed to market the site. Sales agents, Savills, were procured to undertake this marketing.
- 1.6 In response to the marketing, which commenced January 2020, 15 bidders put forward offers and these are detailed in **Appendix 1 Part II report**, attached for members only.
- 1.7 All offers received have been investigated by the appointed selling agents in conjunction with the Valuation and Estates team and acceptance of the highest bid is now recommended following a period of due diligence and site survey investigation.

2 Proposal details

- 2.1 The proposal is to sell the development site to the highest and preferred bidder as outlined in **Appendix 1 Part II**.
- 2.2 Should the offer 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 more likely that the property may have to be remarketed.
- 2.3 The proposed purchasers have undertaken due diligence, a pre-application planning inquiry and ground investigations, but it is proposed to exchange contracts with the buyer with the contract on a conditional basis, conditional upon the grant of a satisfactory planning permission. The contract with the buyer will only become unconditional (and then the buyer will proceed to purchase) if a satisfactory planning permission is granted for a residential housing scheme.
- 2.4 It is proposed that the Cabinet Member for Finance agrees to this transaction being concluded by delegated authority to the Director of Property and Assets in conjunction with the Director of Law and Assurance.

3 Other options considered (and reasons for not proposing)

- 3.1 Other options considered included WSCC progressing to bring the site forward for its own development. This option was discounted due to the need to achieve capital receipts to fund the County Councils capital programme

4 Consultation, engagement and advice

- 4.1 The local member for Littlehampton East has been consulted.

5 Finance

- 5.1 Revenue consequences

- 5.2 The disposal will reduce expenditure on security and other holding costs. The saving will be reinvested within the budget to support further rationalisation of the corporate estate.

- 5.3 Capital consequences (delete if none)

A capital receipt will be achieved, this is an un-ringfenced capital receipt that will go towards funding the existing approved capital programme. (details in **Appendix 1 Part II restricted, members only**)

- 5.4 The effect of the proposal:

(a) **How the cost represents good value**

This is not a cost but a proposal to deliver a capital receipt income. The opportunity has been marketed to ensure that the best value consideration has been achieved.

(b) **Future savings/efficiencies being delivered**

Savings in security and other ongoing holding costs associated with the holding of vacant property will be achieved

(c) **Human Resources, IT and Assets Impact**

The proposal supports the Asset Strategy to rationalise the estate. There are no HR or IT implications.

6 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
The sale does not proceed as the buyer cannot obtain a satisfactory planning consent and the property needs to be re-marketed resulting in a decrease in offers and a reduced capital receipt	A deadline of 28 February 2021 to exchange contracts of the sale will be given to the purchaser. Should the buyer not obtain a satisfactory planning permission and the conditional contract be rescinded then WSCC will offer the property to the other bidders and if none of the original bidders are 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 Covid19 uncertainty.

Risk	Mitigating Action (in place or planned)
There is a continued financial risk in holding onto 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 Policy alignment and compliance

- 7.1 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 assets 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 its freehold estate in this surplus land at Littlehampton.
- 7.2 There are no direct implications arising from the proposal on equality duty and human rights, climate change, crime and disorder, public health or social value.

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Appendices

Appendix 1 Part II – for Members only

Appendix 2 – Site Plan

Background papers

None