

Report to Cabinet Member for Finance

March 2021

Property Review: Disposal of Albion Street Lorry Park, Southwick, West Sussex, BN42 4EN

Report by Director of Property and Assets

Electoral division: Southwick

Summary

To accord with Standing Orders, this report advises on the outcome of the marketing of this vacant and surplus former lorry park and seeks the approval of the Cabinet Member for Finance to dispose of the County Council's freehold estate in the property. Offers have been received and approval is sought to sell to the preferred and highest bidder.

Recommendations

That the Cabinet Member endorses:

- (1) That the County Council disposes of its freehold estate in this surplus asset to the highest bidder as identified in Appendix A (restricted for members only), comprising a former Lorry Park at Albion Street, Southwick, West Sussex, BN42 4EN as identified on the plan in Appendix B of this report and
 - (2) Authority is delegated 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 The site comprises a former lorry park comprised of hardstanding with no buildings and a site area of approximately 0.315ha (0.77 acres) as shown on the plan in Appendix B. Formerly used as a Lorry and Coach Park by way of a Service Level Agreement between WSCC and Adur District Council, this agreement came to an end in January 2020 and the site has been vacant since, with the exception of a short term licence to a filming company.

- 1.2 The property was declared surplus to operational requirements in December 2019 Ref no FIN17 (19/20).
- 1.3 In accordance with usual practice, a selling agent was appointed and the property was offered for sale on the open market during the summer of 2020 with best and final offers received in November 2020
- 1.4 The offers received and are set out in **Appendix A (available for members only)** to this report.
- 1.5 These offers have been fully investigated by the appointed selling agents in conjunction with the Valuation and Estates team and acceptance of the highest bid is now recommended following on from planning consultation and a period of due diligence.

2 Proposal details

- 2.1 The proposal is to sell the property to the highest and preferred bidder as outlined in **Appendix A (available for members only)**.
- 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 possible that the property would need to be remarketed.
- 2.3 The sale is subject to contract and conditional upon the purchaser securing an acceptable planning approval for their proposed use.
- 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 development itself. This option was discounted due to the low margins of development and the need to achieve capital receipts to fund the County Councils capital programme. Additionally, the property could be let on a series of short term lets, however this is not a viable long term proposition due to the low potential for rental income.

4 Consultation, engagement and advice

- 4.1 The Local Member for Southwick has been consulted.

5 Finance

- 5.1 Revenue consequences

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

5.3 Capital consequences

A capital receipt will be achieved as detailed in **Appendix A (available for members only)**.

5.4 The effect of the proposal:

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

This is a proposal to deliver a capital receipt income. The property has been openly marketed to ensure that 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 property estate. There are no HR or IT implications.

6 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
The current purchaser does not proceed with the sale for whatever reason and the property needs to be re-marketed potentially resulting in a decrease in the offer and a reduced capital receipt	There are agreed deadlines for the purchaser to exchange contracts, submit their planning application and complete the sale , subject to receiving a satisfactory planning decision. Should the sale to the highest preferred bidder not proceed, WSCC will engage with other bidders to secure a sale above the agreed minimum value or make a decision as to when best to remarket the property given the current Covid-19 uncertainty.
There is a continued financial risk in holding onto under-utilised assets, which can delay capital receipts or income, or where there is 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 interest in this surplus site.

- 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.

The proposal will ultimately bring social, environmental and economic benefits by recycling vacant and surplus sites for new developments to support local employment.

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Appendices

Appendix A (available for Members only)

Appendix B – Site Plan

Background Papers

None