

Report to Cabinet Member for Finance and Property

December 2021

Property Review: Disposal of a small parcel of agricultural land and 3 semi-detached houses no 1, 19 and 20, Littlegreen Gardens, Compton, Chichester, West Sussex, PO18 9NW

Report by Director of Property and Assets

Electoral division: Bourne

Summary

To accord with Standing Orders, this report advises on the outcome of the marketing of these vacant semi-detached houses no 1, 19 and 20, Littlegreen Gardens, Compton and adjoining land and seeks the approval of the Cabinet Member for Finance and Property 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 these surplus houses 1, 19 and 20, Littlegreen Gardens, Compton, Chichester, West Sussex PO18 9NW and adjoining land as set out in Appendix A 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 These properties comprise three semi-detached 3-bedroom houses, no 1, 19 and 20 Littlegreen Gardens, Compton with a parcel of adjoining agricultural land of approximately 0.485 ha (1.2 acres) accessible from the rear of no. 1.

- 1.2 The houses, which are in need of updating and modernisation, were previously tenanted by WSCC employees working at the adjoining Littlegreen Special School who occupied for the better performance of their duties. Vacant possession was secured when the adjoining School converted to Academy status in January 2019 and the Solent Academy Trust was granted a 125 year Academy lease of the School site, excluding the houses.
- 1.3 The properties were declared surplus to the County Council's operational requirements in October 2019 (FR12 (19/20)), but as the houses formed part of a school site it was also necessary to obtain Department for Education consent, and this was not forthcoming until April 2020
- 1.4 Although there have been delays due to Covid, one of the houses has been used on a temporary basis by Children's Services but is now vacant.
- 1.5 In accordance with usual practice, external marketing agents were appointed earlier this year and the properties were offered for sale on the open market with final offers received in September 2021.
- 1.6 The offers received are shown in **Appendix A Part II** to this report, attached for members only.
- 1.7 The offers have been investigated by the appointed selling agents in conjunction with the Valuation and Estates team and following agreement of heads of terms and a period of due diligence, acceptance of the highest bid is now recommended.

2 Proposal details

- 2.1 The proposal is to sell the properties to the highest and preferred bidder as outlined in Appendix A Part II.
- 2.2 Should the highest 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 properties would need to be remarketed.
- 2.3 The sale is subject to contract only.
- 2.4 It is proposed that the Cabinet Member for Finance and Property 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 These properties are surplus to requirements and are in need of considerable repair and improvement. They are in a very rural area with no amenities or public transport facilities so are not deemed suitable for any current service needs.
- 3.2 The disposal of the individual houses and the adjoining land in separate lots was considered by the selling agents but discounted on the basis that a sale as one lot would produce a higher capital receipt.

4 Consultation, engagement and advice

4.1 The Local Member for Bourne has been advised.

5 Finance

Revenue consequences

- 5.1 Savings in security and other ongoing holding costs associated with the holding of vacant property will be achieved, such as the payment of council tax.
- 5.2 There will be a loss in rental income from the agricultural land, but this is very low.

Capital consequences

- 5.3 A capital receipt will be achieved as detailed in Appendix A Part II
- 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 sum. The properties have 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	A deadline of 28 February 2022 will be given to the purchaser to complete the sale. 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 uncertainty due to the Covid-19 pandemic.

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 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 these surplus rural houses.
- 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 A Part II – for Members only

Appendix B – Site Plan

Background Papers

None