

Report to Cabinet Member for Finance and Property

January 2022

Property Holdings: Disposal of 40, Crescent Road, Worthing, West Sussex, BN11 1RQ

Report by Director of Property and Assets

Electoral division: Worthing Pier

Summary

To accord with Standing Orders, this report advises on the outcome of the marketing of this vacant property 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 this surplus property as set out in Appendix A of this report (restricted, for members only); 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 property comprises a former detached period dwelling with garden and parking converted to a Children and Family Centre in 2004. The accommodation provides approximately 144sq m (1547 sq ft) on two floors. The extent of the property is identified on the attached plan at Appendix B
- 1.2 As part of the Worthing Hub project, a decision was made to close this building and relocate the Children and Family Centre to the refurbished library in Richmond Road. Accordingly, the property was declared surplus to the County's operational service requirements in August 2020 Ref FIN02(20/21).

Staff have now been relocated and the building was vacated in December 2021.

- 1.3 In anticipation of the move, and in accordance with usual practice, surveyors and selling agents, were appointed during the summer to advise and market the property for sale. Following a formal marketing exercise a number of offers have been received.
- 1.4 The offers received are shown in **Appendix A Part II** to this report, attached for members only.
- 1.5 The offers 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.

2 Proposal details

- 2.1 The proposal is to sell the properties to the highest and preferred bidder as outlined in Appendix A (Restricted, for members only).
- 2.2 Should the highest offer be withdrawn the proposal is to sell to another bidder 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 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 No other options were considered. This property is surplus to operational requirements and a sale of the property is required to produce a capital receipt.

4 Consultation, engagement and advice

- 4.1 The Local Member for Worthing Pier has been consulted.

5 Finance

Revenue consequences

- 5.1 Savings in security and other ongoing holding costs associated with the holding of vacant property, such as the payment of council tax will be achieved.

Capital consequences

- 5.2 A capital receipt will be achieved as detailed in Appendix A (Restricted, for members only).

The effect of the proposal

5.3

(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 31 January 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 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 property.
- 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 (Restricted, for members only)

Appendix B – Site Plan

Background Papers

None