

Appendix B is NOT FOR PUBLICATION
By virtue of paragraph 3 of Part I of Schedule 12A
of the Local Government Act 1972

Mr Hunt, Cabinet Member for Finance and Resources	Ref No: FR04 (19/20)
June 2019	Key Decision: Yes
Property Review: Disposal of freehold property known as Oriel Lodge, 25 West Street, Chichester, West Sussex, PO19 1RZ	Part I: Report Part II: Appendix B for Members Only
Report by Executive Director of Place Services	Electoral Division: Chichester South
<p>Summary</p> <p>To accord with County Council Standing Orders, this report advises on the outcome of the formal marketing of Oriel Lodge, 25 West Street, Chichester, West Sussex, PO19 1RZ and seeks the approval of the Cabinet Member for Finance and Resources to dispose of the County Council’s freehold estate in the property. A number of offers have been received and approval is sought to sell to the preferred unconditional bidder. The property was declared surplus in 2018, FR17(17/18).</p>	
<p>West Sussex Plan: Policy Impact and Context</p> <p>The County Council’s Future West Sussex Plan sets 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 the freehold estate of the property known as Oriel Lodge, 25 West Street, Chichester, West Sussex, PO19 1RZ.</p>	
<p>Financial Impact</p> <p>The County Council will receive a capital receipt for the disposal. The capital receipt will be used to fund the County Council’s Capital Programme. Selling agents fees will be deducted from the sale proceeds.</p>	
<p>Recommendations: That the Cabinet Member endorses:</p> <ol style="list-style-type: none"> 1) That the County Council disposes of the freehold estate of Oriel Lodge, 25 West Street, Chichester, West Sussex, PO19 1RZ as identified on the plan at Appendix A; and 2) That authority is delegated to the Executive Director of Place Services in conjunction with the Director of Law and Assurance to conclude the terms with the successful bidder. 	

PROPOSAL

1. Background and Context

- 1.1 Oriel Lodge, 25 West Street, Chichester, West Sussex, PO19 1RZ is a Grade II listed County Council property, formerly used as office accommodation, adjacent to County Hall Chichester. The proposal relates to the property as identified on the plan at Appendix A.
- 1.2 The property was declared surplus to the County Council's operational requirements in January 2018, FR17(17/18).
- 1.3 The County Council has sought to maximise the value of the site and following consultation with Chichester District Council planning approval for a conversion to a single residential dwelling was obtained in 2018.
- 1.4 In February 2019, Henry Adams was appointed to market the property for sale with the benefit of the planning consent on an unconditional basis.
- 1.5 Following on from a formal marketing campaign, a number of offers have been received and following further investigation the selling agents are now recommending acceptance of the highest unconditional bid. All details of the offers received are in Appendix B Part II of the report (for Members only).

2. Proposal Details

- 2.1 The proposal is to sell Oriel Lodge, 25 West Street, Chichester, West Sussex, PO19 1RZ to the preferred bidder as outlined in Appendix B 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 possible that the property may have to be remarketed.
- 2.3 The proposal remains subject to contract and legal due diligence
- 2.4 It is proposed that the Cabinet Member for Finance and Resources agrees to this transaction being concluded by delegated authority to the Executive Director of Place Services in conjunction with the Director of Law and Assurance.

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 Chichester South 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

Savings in security and other outgoings associated with holding vacant property will be achieved.

4.3 Capital consequences of proposal

A capital receipt will be secured on completion of the sale in 2019/20.

5. Legal Implications

5.1 WSCC will dispose of the freehold estate in the property.

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.	A deadline of the 31st August 2019 to conclude the sale will be given to the purchaser. Should the sale to the preferred bidder not proceed, WSCC will offer the property to the next preferred bidder and so on. 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 market uncertainty.
2	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. Other Options Considered (and Reasons for not proposing)

7.1 Other options considered included WSCC refurbishing the property prior to disposal in order to increase the value. This option was discounted due to the high costs associated with the refurbishment of this Grade II listed building and the anticipated low margins of return on the investment required, and the need to achieve capital receipts to fund the County Councils 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 Oriel Lodge, 25 West Street,
Chichester, West Sussex, PO19 1RZ**

APPENDIX B – Part II for Members Only