

Report to Cllr Jeremy Hunt, Cabinet Member for Finance and Property
February 2023

Property and Assets : Freehold Disposal of Marle Place, 171 Leylands Road, Burgess Hill, West Sussex, RH15 8HZ

Report by Assistant Director of Property and Assets

Electoral division: Burgess Hill North

Summary

To accord with Standing Orders, this report advises on the outcome of the marketing of this 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 at Marle Place, 171 Leylands Road, Burgess Hill, West Sussex, RH15 8HZ 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 WSCC owns the freehold estate of this property in Burgess Hill. Marle Place comprises two separate and self-contained two and three storey former residential properties, each with their own separate self-contained gardens with mature trees and shrubbery. The houses share a large tarmac hard standing area used for parking that abuts Leylands Road. Over the years the properties have been subject to a number of alterations and additions to support the current commercial use, providing classrooms and teaching facilities.

- 1.2 Marle Place has until recently been leased to a provider of Adult Education services. The lease expired and the property returned to the estates team.
- 1.3 The Council owns the freehold estate of this property which was declared surplus to the County Council's operational requirements in the Key Decision ([Ref FP10 22/23](#)) in October 2022.
- 1.4 In accordance with usual practice, external marketing agents were subsequently appointed and the property was offered for sale on the open market with final offers now received.
- 1.5 The offers received are shown in **Appendix A Part II** to this report, attached for members only.
- 1.6 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 a bid is now recommended.
- 1.7 It is also proposed to dispose of a very small strip of land held under the same freehold title to Mid Sussex District Council to facilitate a new improved cycle and footpath, part of the Burgess Hill Place and Connectivity plans – known as Green Links Phase 1. The freehold title will be split to allow for the separate disposal of this area and the prospective purchasers of Marle Place have been made aware of the amended demise of the disposal.

2 Proposal details

- 2.1 The proposal is to sell the property to the preferred bidder as outlined in Appendix A Part II.
- 2.2 Should the offer be withdrawn then the proposal is to sell to the next highest bidder or to another party, 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, survey and legal due diligence 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 Assistant 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 An options appraisal has been undertaken and the site has been considered against a range of options including for possible social, community or environmental use, particularly where this could complement the Council's ambitions relating to climate change. No viable options have been identified in this case.
- 3.2 No alternative County Council service use has been identified for the property and the property is surplus to all operational service requirements.

4 Consultation, engagement and advice

4.1 The Local Member for Burgess Hill North has been consulted.

5 Finance

5.1 Revenue consequences: The disposal will reduce expenditure on security, utilities and other holding costs associated with vacant property. This saving will be reinvested within the budget to support further rationalisation of the corporate estate.

5.2 Capital consequences: A capital receipt will be achieved as detailed in Appendix A Part II

5.3 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 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 | A deadline of two months will be given to the purchaser to exchange contracts from the exchange of documentation. Should the sale to the 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. |
| 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 and a longstop date. |

7. Policy alignment and compliance

- 7.1 The proposal supports the [Asset Management Policy and Strategy 2022/23 to 2025/26](#) which has a key objective to manage, maintain, acquire and dispose of surplus property effectively, efficiently and sustainably, together with optimising financial return. In line with this strategy the County Council now proposes to dispose of its freehold estate 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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