

Report to: Lead Member for Resources

Date of meeting: 22 January 2019

By: Chief Operating Officer

Title: 14 Westfield Lane, St Leonards-on-Sea, TN37 7NG

Purpose: To secure Lead Member approval to 1) dispose of the property on the open market, and 2) to settle a charge held over the asset by NHS England. This is a revision and update to a Lead Member decision given in November 2011

RECOMMENDATIONS: The Lead Member is recommended to:

1) Revise a previous surplus declaration decision made on 28 November 2011 and to now approve the disposal of the property, which will include settlement of a charge held over the asset by NHS England; and

2) delegate authority to the Chief Operating Officer to ensure best value is reasonably obtainable, subject to the terms of the Capital Grant Agreement noted.

1 Background

- 1.1 14 Westfield Lane is one of a number of Learning Disability homes that transferred to the County Council from former Primary Care Trusts (PCT) in February 2011. The County Council was provided with capital funding, required to acquire the freehold interests, subject to the PCT (and their successors NHS England) retaining a first charge over each asset. The capital grant is repayable on future disposal.
- 1.2 On 28 November 2011 the Lead Member for Community and Resources approved a decision to formally declare the site, known as 14 Westfield Lane Hastings, as surplus to operational requirements. In addition it recommended disposal, by way of a lease, to a Registered Care Provider for the purpose of developing the site for supported living accommodation.
- 1.3 Despite subsequent proposals to convert the asset into 10-12 supported living units, development became frustrated by the restrictions of the first charge held over the asset by NHS England, despite extensive negotiations. In June 2018, Cabinet agreed to amend Learning Disability Provided Services, through which the site has been identified as now fully surplus.

2 Supporting information

- 2.1 The property was a registered care home for residents with learning disabilities who were supported by teams of residential care workers. The

service closed and the building was vacated in 2011 and has not been used operationally since.

- 2.2 Hastings and Rother Primary Care Trust transferred the freehold to ESCC in 2011 under a directive issued by the Department of Health.
- 2.3 The site measures 0.8 acres and is shown on the accompanying map hatched in black.
- 2.4 The Local Member has been consulted and has no objections.
- 2.5 Subject to the outcome of notices required to be prior served on NHS England under the terms of the capital grant agreement, it is recommended that the property be placed on the open market through marketing agents, to be appointed, to secure best value outcomes in accordance with Section 123 of the Local Government Act 1972 .

3. Notification process

- 3.1 A market valuation is anticipated to be greater than the sum of the original grant.
- 3.2 Under the Capital Grant agreement dated 10 February 2011, the property is first to be offered back to the successor body to the Primary Care Trust (now NHS England) for £4 a nominal fee with no further liability to repay the original grant.
- 3.3 In the event of the successor body rejecting the first notice, the agreement requires a formal valuation to be secured from the District Valuer, and for the County Council to pay NHS England such value within 28 days .
- 3.4 The Agreement, is the subject of ongoing legal and property advice. This is not uncommon across both our own portfolio of LD assets but also other County Councils to whom similar assets were transferred in 2011 as PCTs were being dissolved at the time. Initial advice is that the full sale value is repayable to NHS England, with the County Council effectively acting as their agents in the disposal.
- 3.5 There is a risk of the County Council having to pay NHS England a value, as ascertained by the District Valuer, within 28 days of a valuation, still leaving the County Council with all marketing risks. Officers are in negotiations with the NHS Property Services to agree an appropriate marketing process under which the asset is marketed and any conditional or unconditional bids reviewed.

4. Conclusion and reasons for recommendations

- 4.1 Earlier decisions to secure the asset for specialist care use have been amended following subsequent reviews of service provision. The property has no future operational use for the Council and whilst it is vacant the property will have ongoing costs for security and maintenance.
- 4.2 It is recommended that this property be declared surplus to County Council requirements and terms for any disposal delegated to the Chief Operating Officer to secure best value in accordance with the requirements of Section 123 of the Local Government Act 1972, and compliance with the processes noted within the original capital grant agreement.

KEVIN FOSTER

Chief Operating Officer

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LOCAL MEMBER

Councillor Peter Pragnell

BACKGROUND DOCUMENTS

None

APPENDICES

Appendix I – Site Plan (not to scale)

