

Report to: Lead Member for Resources and Climate Change

Date of meeting: 29 July 2021

By: Chief Operating Officer

Title: Disposal of the Council's Leasehold interest in land transaction with Eastbourne College, Eastbourne

Purpose: To agree the Council's Grounds Maintenance Depot at Willingdon Road, Eastbourne is to be declared surplus to operational use and to agree to the disposal of the Council's long leasehold interest for a capital receipt

RECOMMENDATIONS

The Lead Member for Resources and Climate Change is recommended to:

- 1) Declare the asset known as Eastbourne Grounds Service Depot, Willingdon Road, Eastbourne (the Site) surplus to the County Council's requirements;*
 - 2) Approve the disposal of the Council's leasehold interest in the Site;*
 - 3) Delegate authority to the Chief Operating Officer to determine the detailed terms of the disposal and agree all documents and take any other actions necessary to achieve best value in accordance with the Local Government Act 1999.*
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1 Background

- 1.1 East Sussex County Council (ESCC) seeks to declare surplus this asset which is no longer required for operational purposes. The plan showing the area is at Appendix 1. The Council does not own the freehold and has a 999-year lease granted 24 November 1994.
- 1.2 The asset was formerly used as a grounds maintenance depot and it forms part of a larger site owned by Eastbourne College.

2 Supporting information

- 2.1 Glendale, ESCC's grounds maintenance contractor utilises a number of Council assets as depots under the terms of the contract, with separate leases for each depot. Glendale has altered its business model and the Eastbourne grounds depot is not fit for purpose, so the contractor has not used it for 18 months. ESCC has an in-principle agreement whereby the contractor will surrender their lease.
- 2.2 The Council has no operational use for the asset.
- 2.3 Eastbourne College has undertaken its wider service transformation and has reviewed its asset base to identify surplus assets that could secure capital receipts to part fund its modernisation programme. The review has identified Willingdon Quarry, Eastbourne. The site is unused by Eastbourne College with the exception of the area leased to the Council, the Eastbourne Area Grounds Depot.
- 2.4 ESCC supports Eastbourne College's approach to maximise the value of the site. Eastbourne College has secured outline planning permission for 18 dwellings, has marketed the site for sale and bids have been analysed. The College has advised ESCC on bids received and the preferred bidder. ESCC has secured external valuation advice on the value of its leasehold interest and will seek to complete a disposal of its leasehold interest and receive a capital receipt based on its proportion of the overall value of the site. ESCC considers that the Site is more marketable if it is sold in conjunction with Eastbourne College in their sale of adjoining land so the disposal may take the form of a

joint sale with Eastbourne College, or a surrender of its leasehold interest to Eastbourne College.

- 2.5 Further details of the transaction, including the financial implications, are outlined in an Exempt report later on in the agenda. If Eastbourne College does not proceed with the highest bidder, then it is anticipated the next best bid will be considered and ESCC will secure the same percentage of the capital receipt for the whole site.
- 2.6 The capital receipt secured will contribute to the Council's capital programme.

3 Conclusion and reasons for recommendations

- 3.1 It is recommended that the Lead Member for Resources and Climate Change declares the Eastbourne Grounds Service Depot surplus to the County Council's requirements.
- 3.2 It is recommended that the Lead Member approves the disposal of the lease in conjunction with Eastbourne College's disposal of adjoining land to allow Eastbourne College to finalise the sale of the whole site and secure a capital receipt for the Council.
- 3.3 It is recommended that the Lead Member for Resources and Climate Change agrees to delegate authority to the Chief Operating Officer to approve the detailed terms of the disposal of the Council's long lease for a capital receipt, ensuring best value in accordance with the Local Government Act 1999, as outlined in paragraphs 2.4 and 2.5 of this report.

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LOCAL MEMBERS

Councillor Colin Belsey

BACKGROUND DOCUMENTS

None

Appendix 1 – Plan of land