

Report to: Lead Member for Resources and Climate Change

Date of meeting: 17 October 2023

By: Chief Operating Officer

Title: Former Sidley Depot, Elva Way, Bexhill-on-Sea – Disposal of Freehold

Purpose: To declare the property to be surplus to the operational requirements of the Council and to agree to dispose of the asset in accordance with s123 of the Local Government Act 1972

RECOMMENDATIONS

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

- 1) **Declare the Former Sidley Depot, Bexhill-on-Sea shown in Appendix 1 (“the Site”) to be surplus to the requirements of the Council;**
 - 2) **Approve the disposal of the Site in accordance with s123 of the Local Government Act 1972;**
 - 3) **Delegate authority to the Chief Operating Officer to agree the terms of the sale to achieve best value for the Site in accordance with s123 of the Local Government Act 1972, including proceeding with the next best offer(s) in the event of the transaction(s) not completing within the expected timelines; and**
 - 4) **Delegate authority to the Chief Operating Officer to take all actions necessary to give effect to the recommendations in this report.**
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1 Background

- 1.1 The site comprises a former Highways depot, including a pre-fabricated two storey office, brick-built stores and a large yard. The extent of the Site is shown in Appendix 1 (the “Site”).
- 1.2 The Site is approximately 0.3885 hectares (0.96 acres). It is accessed from Elva Way, which joins to the A269 and A2690 and is adjacent to the Elva Business Centre and Napier House. The Elva Business Centre and Napier House scheme, developed in 2012, is owned by Rother District Council and comprises light industrial and office space formed in three blocks. The immediate surrounding area has some residential properties which are accessed separately.
- 1.3 The Council acquired the freehold of the Site in 1974. It has since been used as a Highways Depot and became surplus to operational requirements from 1 May 2023. Following the re-procurement of the Highways Maintenance Services Contract this asset is no longer needed.
- 1.4 The Site has not been specifically allocated in Rother District Council’s Adopted Development and Site Allocations Local Plan (December 2019) but is considered to be suitable for economic and business use, the retention of which is established by Policy EC3 of the Local Plan Core Strategy.

2 Supporting information

- 2.1 Four options for the Site were considered by the Property Asset Management Board on 13 April 2023. These options were:

- 1) Retain for a Council service;
- 2) Dispose of the freehold via Community Asset Transfer or market sale;
- 3) Rent to an East Sussex County Council (ESCC) partner;
- 4) Rent to an external tenant.

- 2.2 Option 1 (Retain for a Council service): the Directorates have confirmed that there is no operational service need for the Site.
- 2.3 Option 2 (Dispose of the Freehold): the Site is not considered suitable for a community asset transfer due to the condition of the buildings and its former use. It is not listed as an Asset of Community Value under the Localism Act 2011. The Site is likely to be considered as a development site with potential for employment use (subject to relevant consents being obtained), which supports economic development goals. There is a good level of demand in the open market for a Site of this nature.
- 2.4 Option 3 (Rent to an ESCC partner): the existing buildings are considered to be end of life and would require significant refurbishment if they were to be let on the open market. This work would either need to be undertaken by the Council at its expense, or by way of a lengthy rent free or incentive period via a tenant.
- 2.5 Option 4 (Rent to an external tenant): for the reasons given for Option 3, Option 4 is also considered impractical in commercial terms.
- 2.6 The Site is not classified as open space land, as defined by Section 336(1) of the Town and Country Planning Act 1990. Therefore, there is no requirement for the Council to advertise its intention to dispose of the land for two consecutive weeks prior to a decision being made.
- 2.7 The disposal of this Site will result in a capital receipt. The Council seeks to maximise the levels of these resources which will be available to support the Council's capital plans and reduce the need to borrow in accordance with the Council's Capital Strategy and also supports the Council's Asset Management Plan 2020-2025.
- 2.8 Option 2 is therefore considered to be the most appropriate approach for the site.
- 2.9 The Local East Sussex County Council Member has been consulted on the sale of the Site.

3 Conclusion and reasons for recommendations

- 3.1 The Council has no ongoing operational use for the Site. It is therefore surplus to the Council's requirements. The disposal of the Site will reduce revenue liabilities relating to the management and holding costs of this surplus asset, as well as providing the Council with a capital receipt.
- 3.2 The Lead Member for Resources and Climate Change is therefore recommended to:
 - Declare the Former Sidley Depot, Bexhill-on-Sea shown in Appendix 1 ("the Site") to be surplus to the requirements of the Council;
 - Approve the disposal of the Site in accordance with s123 of the Local Government Act 1972;
 - Delegate authority to the Chief Operating Officer to agree the terms of the sale to achieve best value for the Site in accordance with s.123 of the Local Government Act 1972, including proceeding with the next best offer(s) in the event of the transaction(s) not completing within the expected timelines; and

- Delegate authority to the Chief Operating Officer to take all actions necessary to give effect to the recommendations in this report.

ROS PARKER
Chief Operating Officer

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LOCAL MEMBERS

Councillor Abul Azad – Bexhill North

BACKGROUND DOCUMENTS

None