

**Report to:** Lead Member for Resources and Climate Change

**Date of meeting:** 25 June 2024

**By:** Chief Operating Officer

**Title:** 98 South Coast Road, Peacehaven – 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

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## **RECOMMENDATIONS**

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

- 1) Declare 98 South Coast Road, Peacehaven to be surplus to the requirements of the Council;
  - 2) Approve the disposal of the Property 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 Property 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 Property comprises a two-bedroom detached bungalow of traditional brick-build, with separate lounge, bathroom and kitchen. Externally, there are front and rear lawned gardens and a self-contained single garage. The extent of the Property is shown in Appendix 1.
- 1.2 The Property is in need of total refurbishment, including works to the structure and roof.
- 1.3 There had previously been a licence agreement in place with Lewes District Council (“LDC”) since 1977. LDC were permitted to use the property for social housing purposes. LDC gave notice and vacated the property in August 2023.

## **2 Supporting information**

- 2.1 The following options have been considered for the Property:
  - 1) Retain for a Council service;
  - 2) Rent to an East Sussex County Council (ESCC) partner or external tenant;
  - 3) Dispose of the freehold, either via Community Asset Transfer or market sale;
- 2.2 Option 1 (Retain for a Council service): the Directorates have confirmed that there is no operational service need for the Property.
- 2.3 Option 2 (Rent to an ESCC partner or external tenant): the Property will require significant refurbishment if it were to be let. The rent previously received from LDC was negligible. The necessary work needed to put the Property in good condition 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.

- 2.4 Option 3 (Dispose of the Freehold): the Property is not considered suitable for a community asset transfer due to its condition and residential use. It is not listed as an Asset of Community Value under the Localism Act 2011. The Property is likely to be considered as a small residential development site, either as a single dwellinghouse or as a small block of flats. We understand from local agents that there is a good level of demand in the open market for this type of property.
- 2.5 The disposal of the Property will result in a capital receipt. Capital receipts are an important source of funding, and 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.
- 2.6 The disposal of the Property on the open market is therefore considered to be the most appropriate strategy.
- 2.7 In the event that an offer was accepted, and that transaction did not progress as expected, ESCC would reserve the right to proceed with the next best offer, or to re-market the property if appropriate. The timeframe for a transaction varies depending on a number of reasons. For example, the offer may be made on a conditional or unconditional basis, subject to planning approval, or subject to finance being obtained. Target timescales will be recorded at the memorandum of sale stage and will form part of the sale contract.
- 2.8 The Local East Sussex County Council Member has been consulted on the sale of the Property and had no objection to the proposal. Lewes District Council have also been informed of ESCC's intention to dispose of the property.

### **3 Conclusion and reasons for recommendations**

- 3.1 The Council has no ongoing operational use for the Property. It is therefore surplus to the Council's requirements. The disposal of the Property 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 recommended to declare the Property to be surplus to the Council's requirements and approve the disposal of it in accordance with s.123 of the Local Government Act 1972.
- 3.3 To facilitate the effective disposal of the Property, the Lead Member is also recommended to delegate to the Chief Operating Officer authority to agree the terms of the sale to achieve best value for the Property in accordance with s123 of the Local Government Act 1972, including authority to proceed with the next best offer(s) in the event of the transaction(s) not completing within the expected timelines and;
- 3.4 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 Chris Collier – Peacehaven

#### BACKGROUND DOCUMENTS

None