

Report to: Lead Member for Resources and Climate Change

Date of meeting: 14 January 2025

By: Chief Operating Officer

Title: Site 6, Eastbourne – Disposal of Long Leasehold Interest

Purpose: To declare Site 6, Eastbourne 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 Site 6, Eastbourne 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) Approve that East Sussex County Council enters into a Memorandum of Understanding with Eastbourne Borough Council (EBC) whilst the ownership of the Site is held jointly and to delegate authority to the Chief Operating Officer to agree the terms of it;
 - 4) Delegate authority to the Chief Operating Officer to agree the terms of the sale, jointly with Eastbourne Borough Council, 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
 - 5) 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 boat yard, with a community centre to the south-western side of the Site which leads to Sovereign Harbour Retail Park. It is adjacent to an office building known as Pacific House, which is to the western boundary of the site. The extent of the Site is shown in Appendix 1.

1.2 Eastbourne Borough Council’s (EBC) Core Strategy Local Plan and the Employment Land Local Plan identifies the Site as being allocated as employment land, capable of delivering offices, research and development space, and/or light industrial units. A total allocation of 20,000 sqm is identified as being deliverable across Sovereign Harbour, with the bulk of this to be shared between ‘Site 6’ and a neighbouring site, ‘Site 7’ - [Eastbourne Core Strategy - Lewes and Eastbourne Councils](#).

1.3 East Sussex County Council (ESCC) owns the long leasehold interest in Site 6, along with EBC as tenants in common. The ownership split is ESCC 48.485% and EBC 51.515%. The long leasehold interest is for a term of 999 years from April 2014. The 999-year lease restricts the permitted development of ‘Site 6’ to a use within Use Class B1 (a) (b) or (c) of the Town and Country Planning (Use Classes) Order 1987 as at the date the lease is

granted. This therefore follows the site allocation in the Local Plan, being offices, research and development space, and/or light industrial units.

1.4 A draft Memorandum of Understanding has been drawn up to document the roles and expectations of both Councils whilst the ownership of the Site is held jointly. It also sets out the approach for joint decision-making and the escalation process for a dispute. This is outlined within an exempt item later in the agenda.

2 Supporting information

2.1 Five options for the Site have been considered. These options are:

- 1) Retain for a Council service;
- 2) Dispose of the long leasehold interest via a Community Asset Transfer or market sale;
- 3) Sell the ESCC proportion to EBC;
- 4) Rent to an ESCC or EBC partner;
- 5) Rent to an external tenant.

2.2 Option 1 (Retain for a Council service): ESCC and EBC Directorates have confirmed that there is no operational service need for the Site by either party.

2.3 Option 2 (Dispose of the Long Leasehold): as the Site is formed of open land, it is not considered suitable for a community asset transfer. 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. Disposal through a market sale is therefore considered a viable option.

2.4 Option 3 (Sell the ESCC proportion to EBC): this will allow EBC to have greater control over the asset. However EBC officers have stated that it does not wish to explore this option.

2.5 Option 4 (Rent to a Council partner): Whilst there is demand for open storage land in the local market, it is favourable for the site to be level, secure and surfaced. A level of investment would need to be made in the Site to bring it to this standard and this is considered to be impractical, particularly given its development potential.

2.6 Option 5 (Rent to an external tenant): for the reasons given for Option 4, Option 5 is also considered impractical in commercial terms.

2.7 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 County Council to advertise its intention to dispose of the land for two consecutive weeks prior to a decision being made.

2.8 The disposal of this Site will result in a capital receipt that will be shared proportionately by both Councils. ESCC 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.

2.9 Option 2 is therefore considered to be the most appropriate approach for the Site. The Site will be jointly marketed with EBC. Offers are to be considered by both ESCC and EBC in line with each authority's delegated powers.

2.10 The Local East Sussex County Council Member has been consulted on the sale of the Site.

3 Conclusion and reasons for recommendations

3.1 ESCC 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 recommended to declare the Site to be surplus to ESCC's requirements and approve disposal of the Site in accordance with s.123 of the Local Government Act 1972.

3.3 A Memorandum of Understanding is to be agreed between both Councils, settling out the joint management strategy whilst the Site remains in joint ownership. It is recommended that the Lead Member delegates approval of the terms of this Memorandum of Understanding to the Chief Operating Officer, to ensure that the Site can be efficiently managed.

3.4 To facilitate the effective disposal of the Site, the Lead Member is also recommended to delegate to the Chief Operating Officer authority to agree the terms of the sale, jointly with EBC, to achieve the best consideration for the Site in accordance with s.123 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 to take all actions necessary to give effect to the recommendations in this report.

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LOCAL MEMBERS

Councillor Penny di Cara

BACKGROUND DOCUMENTS

None