

Report to: Lead Member for Resources and Climate Change

Date of meeting: 12 August 2025

By: Chief Operating Officer

Title: Phoenix Centre, Lewes – Options for next steps

Purpose: To seek a declaration that the property is surplus to the operational requirements of the Council and to seek agreement to let 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 Phoenix Centre, Lewes (the Property) to be surplus to the Council's requirements; and
- 2) Agree that the Property be let in accordance with s123 of the Local Government Act 1972.

1 Background

1.1 Following a public consultation from 3 October 2024 to 28 November 2024, Cabinet approved the closure of the Phoenix Centre Day Service for older people with physical and mental health needs on 25 February 2025 - [Decision - Proposal to close the Phoenix Centre Day Service for older people | East Sussex County Council](#). The service has since ceased operating from the Property and the East Sussex County Council (the Council) has supported the adults with accessing alternative services in the community.

1.2 The Property, known as the Phoenix Centre, is identified in Appendix 1. It comprises a single storey building that was constructed in the 1980s. It has a central courtyard and a parking area. The Property is well located in Lewes, with access off Phoenix Causeway / Malling Street. It is adjacent to Phoenix Causeway Car Park, which is owned by Lewes District Council.

1.3 Following the vacation of the Day Service, an alternative operational use was considered for the Property. However, it was deemed to not be suitable. There is therefore no ongoing operational requirement for the Property.

2 Supporting information

2.1 The following options have been identified for the Property:

1. Retain for a Council service;
2. Rent to a Council partner or external tenant; or
3. Dispose of the freehold.

2.2 **Option 1 (Retain for a Council service):** all Council Directorates have confirmed there is no operational service need for the Property.

2.3 **Option 2 (Rent to an East Sussex County Council (ESCC) partner or external tenant):** the Property is considered to be in reasonable condition and it is likely that it could be let to a third party, albeit a change of use may be required. Letting the property will generate

an income for the Council, which will provide a vital revenue stream for the Council, helping to ease some of the projected deficit reported for the 2025/26 budget. Letting the property also supports the Council's Strategic Asset Plan [Strategic Asset Plan 2020 - 2025 | East Sussex County Council](#).

2.4 Option 3 (Dispose of the Freehold): the Property is likely to be considered as a small development site, subject to gaining the necessary planning consents. While capital receipts are an important source of funding, the Property is adjacent to various landholdings owned by Lewes District Council. In view of plans for Local Government Reorganisation (LGR), it is considered more appropriate to retain the Property in the short-medium term from an Asset Management perspective. A future asset management view on this Property in relation to the surrounding landholdings can then be considered once the future structure of local government from 1 April 2028 is known

2.5 Renting to an ESCC partner or external tenant (Option 2) is therefore considered to be the most appropriate strategy. If this option is agreed, the Property will be marketed by a local commercial agent. Any offers received will be considered based on the viability of the proposed operation, in addition to other factors such as the net income potential for the Council. If offers are made by community or voluntary organisations, they will be considered alongside companies submitting commercial bids, as well as any made by a Council partner. The Council shall ensure that any letting arrangement it enters into, secures the best consideration that can reasonably be obtained, as required by s.123 of the Local Government Act 1972.

2.6 The Property is not listed as an Asset of Community Value under the Localism Act 2011.

2.7 In the event that an offer is accepted, but the transaction does not progress as expected, the Council would reserve the right to proceed with the next best offer, or to re-market the Property (as appropriate). The timeframe for a transaction varies depending on a number of reasons. For example, the offer may be subject to planning approval. Expected timescales will be recorded at heads of terms stage.

2.8 The Local Member has been consulted on the proposed strategy.

3 Conclusion and reasons for recommendations

3.1 The Council has no ongoing operational use for the Property. The Property is surplus to the Council's requirements and the letting of it will reduce revenue liabilities relating to the management and holding costs of this surplus asset, as well as providing the Council with an income stream.

3.2 The Lead Member for Resources and Climate Change is therefore recommended to declare the Property to be surplus to the Council's requirements and approve the letting of it in accordance with s.123 of the Local Government Act 1972.

ROS PARKER
Chief Operating Officer

Contact Officer: Rebecca Lewis
Tel: 01273 335873
Email: rebecca.lewis@eastsussex.gov.uk

LOCAL MEMBER

Councillor Johnny Denis

BACKGROUND DOCUMENTS

None