

Worthing Cabinet Member for Resources Adur Cabinet Member for Finance & Resource

Date: 14 September 2023

Decision Ref No: JAW/009/23-24

Decision to be taken on or after 22 September 2023

Key Decision: Yes

Ward(s) Affected: n/a

JAW/009/23-24 Sale of land at former EDF Car Park, Southdownview Road, Worthing

**Report by the Director for Place** 

Officer Contact Details:-Mark Hooper Property and Investment Manager 07786 252466 mark.hooper@adur-worthing.gov.uk

#### **Executive Summary**

#### 1. Purpose

- 1.1. The freehold of the site is to be disposed of and member approval for the decision is sought for the disposal.
- 1.2. The outcome will be capital receipt that can be used to meet Council needs.

#### 2. Recommendations

2.1. Members are recommended to:

- i) Approve the disposal of the asset; and
- ii) Delegate authority to the Director of Place to finalise the heads of terms for the sale contract and effect the sale itself.

## 3. Background

- 3.1. The site is a brownfield site. The Council purchased the site in September 2020 with a view to gaining planning permission for employment uses.
- 3.2. Planning consent was granted in February 2023 for three light industrial (Class E) buildings totalling 11 units of a total of c 30,000 sq ft.
- 3.3. By the time planning consent was granted, build costs had increased substantially. Economic and global factors including inflation in energy costs, labour and materials costs, interest rate rises and uncertainty, made the consented scheme unviable to build.

## 4. Context, Marketing

- 4.1. Budget pressures exist and the decision was taken to market the site and seek offers. The capital receipt was anticipated to be *at least* £1.5m receivable in this current financial year.
- 4.2. The site was marketed by LSH, a reputable national commercial property agency with regional presence and experience of dealing in such sites.
- 4.3. LSH set up a data room for buyers containing all the site information required to enable prospective buyers to be apprised of all the information, to save time and avoid issues in the sale contract.
- 4.4. A bid date of noon on 30th June 2023 was set for bids.
- 4.5. We have a bid that enables us to recover our costs and consequently have instructed solicitors to draft the contract accordingly.

## 5. Issues for consideration

5.1. The proposed option is being recommended to meet budget deficit and to allow others to take any development risk associated with the site.

# 6. Engagement and Communication

- 6.1. Internal or external engagement has been taken in the contact of obtaining the planning consent.
- 6.2. No further internal or external engagement or collaboration is proposed.
- 6.3. The decision or issues raised will be communicated via our website, through committee papers.

# 7. Financial Implications

- 7.1. The site was originally purchased for £1.9m (including stamp duty and fees).
- 7.2. The Council has received a range of offers and is likely to recoup the costs associated with the acquisition.
- 7.3. Under the Council's financial regulations, any disposal over £50,000 should be approved by the Cabinet Member for Resources.
- 7.4. The sale of this site and recovery of the capital sum will reduce Worthing Borough Council's need to refinance debt and therefore reduce the revenue exposure to elevated interest rates.

# 8. Legal Implications

- 8.1. Under Section 111 of the Local Government Act 1972, the Council has the power to do anything that is calculated to facilitate, or which is conducive or incidental to, the discharge of any of their functions.
- 8.2. s1 of the Localism Act 2011 empowers the Council to do anything an individual can do apart from that which is specifically prohibited by

pre-existing legislation

- 8.3. Section 123 Local Government Act 1972 provides the Council with the power to dispose of land with the caveat that the Council must not do so for a consideration less than the best that can be reasonably obtained.
- 8.4. The Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations 2012 governs the decision making processes relating to Cabinet decisions and these are encompassed in the Council's Cabinet Procedure Rules within the Constitution.
- 8.5. Paragraph 3.12.3 of the Officer Scheme of Delegations provides authority to the Head of Major Projects and Investment to dispose of land in connection with the Council's functions and to grant leases, easements, licences and wayleaves of, in, or over buildings or land in connection with the Council's functions. Paragraph 1.11 provides that all delegations shall be exercised in accordance with the Constitution and paragraph 1.12 provides that any officer exercising a delegation shall only do so in accordance with the Financial Procedure Rules.

# **Background Papers**

Planning consent: <u>https://planning.adur-worthing.gov.uk/online-applications/applicationDetails.do?keyV</u> <u>al=R5U543CBLKV00&activeTab=summary</u> Sales details: <u>https://www.lsh.co.uk/find/properties/sussex/worthing/2049930</u>

# Sustainability & Risk Assessment

- Sustainability and Risk Assessment; the site is a brownfield site. Any future change of use requires planning consent and sustainability criteria will be included in that process.
- Otherwise, the matter is considered and no issues are identified.

### 1. Economic

The site is sold as seen with the benefit of employment use, the buyer is a local employer

## 2. Social

### 2.1 Social Value

The site is sold as seen with the benefit of employment use, the buyer is a local employer

### 2.2 Equality Issues

No equality issues are identified.

### 2.3 Community Safety Issues (Section 17)

The occupancy of the site should deter any intrusion into the site and risk therefore to community

# 2.4 Human Rights Issues

The proposal does not impinge on human rights.

#### 3. Environmental

Nil not covered already by planning process

#### 4. Governance

There are no governance implications