

Report to Council

24 February 2016

By the Cabinet Member for Finance and Assets

DECISION REQUIRED



**Horsham
District
Council**

Not Exempt

Exempt Appendix 2 – Exempt by virtue of paragraph 3 of schedule 12A of the Local Government Act 1972

Supplementary estimate for proposed purchase of Ambulance Station, Hurst Road, Horsham

Executive Summary

The land at Hurst Road between Horsham Hospital and the Pavilions Leisure Centre has been identified as an area with potential for regeneration, as the public sector buildings in this location are old and in many instances are expected to become surplus to occupier requirements.

The Ambulance Station, owned by South East Coast Ambulance Service (SECamb), is surplus to SECamb's operational requirement and has been marketed for sale as a site for residential development. This parcel is an important holding if a site assembly operation is to be successful and therefore terms have been agreed to purchase the property, subject to Member approval. The full details of the terms agreed are set out in confidential Appendix 2.

If the Council does not purchase this site, the opportunity to facilitate a comprehensive redevelopment of the Hurst Road site will be compromised or lost.

The proposed purchase would need to be funded from Council reserves and therefore it will be necessary for Council to agree the necessary supplementary estimate to the Council's budget for the transaction to proceed.

Recommendations

The Council is recommended:

To agree a supplementary estimate to the budget in the sum identified in appendix 2 to enable the proposed transaction to proceed.

Reasons for Recommendations

For the proposed purchase to take place it is necessary to fund the purchase from Council reserves.

Background Papers

Appendix 2 - Exempt information

Wards affected: Horsham Park

Contact: Brian Elliott, Property and Facilities Manager Ex5328

Background Information

1 Introduction and Background

- 1.1 The site between Horsham Hospital and the Pavilions Leisure Centre has long been identified as a redevelopment opportunity because many of the buildings in this area are occupied by the public sector and the properties are reaching the end of their physical and economic lives.
- 1.2 Horsham District Council has been working with other public sector organisations, in particularly WSCC, to assess current service and asset requirements with a view to assembling this site for comprehensive redevelopment, incorporating housing, employment space and possibly additional hotel capacity.
- 1.3 To determine a strategic direction for the site, the Council has engaged consultants to produce a Town Centre Vision. This incorporates a specific brief for Hurst Road, which will determine development options for the site. This will be used to engage with other public services and to inform the Council's overall strategic approach.
- 1.4 A plan of the overall site is shown in Appendix 2. Excluding the hospital, the site consists of eight ownerships, which are set out below:

Property	Ownership
Fire Station	WSCC
Horsham Ambulance Station	South East Coast Ambulance Service (SECamb)
Horsham Magistrates Court	Secretary of State for Communities and Local Government
Horsham Police Station	Sussex Police and Crime Commissioner
Arun House	Horsham District Council
Private Residence	Confidential
Youth Club	WSCC/Trustees of Youth Club
Post Office	Royal Mail Estates

- 1.5 The Ambulance Station was marketed by SECamb towards the end of last year as a site with development potential. The site attracted interest from property developers and a number of bids were received.
- 1.6 As a result of discussions with SECamb, a price has been negotiated for Horsham District Council to purchase the site. The details are set out in confidential Appendix 2.
- 1.7 This is a key ownership within the overall site and the terms agreed reflect market value.

2 Relevant Council policy

- 2.1 The emerging Corporate Plan defines a key objective as Improving and Supporting the Local Economy. A specific task is to develop and progress a master plan for Hurst Road Horsham by June 2016.

- 2.2 Current Council Site Specific Guidance for Hurst Road is contained within the Horsham Town Supplementary Planning Document (SPD) 2012, which seeks to encourage the area to be enhanced as a mixed use area through the consolidation of existing uses and the introduction of additional residential, leisure and commercial uses. The guidance also places importance on strengthening and simplifying 'legible' connections with the Town Centre from Hurst Road through Horsham Park.

3 Details

- 3.1 The reason for purchasing this property is to secure an important element of the Hurst Road regeneration site.
- 3.2 The timing of the redevelopment of the Hurst Road site is unknown, because the availability of other parcels depends on the disposal decisions of occupying organisations. It is however expected that a large proportion of the site will become surplus to occupier requirements in the short to medium term, that is, within the next five years.
- 3.3 The Ambulance Station was widely marketed at the end of 2015. The existing property comprises a warehouse and office building of approximately 4000 square feet. The existing building is old and was marketed as a property with development potential and attracted offers from residential developers.
- 3.4 The Council is paying a price in line with the offers received, which represent market value. Full details are included in Appendix 2 (exempt)
- 3.5 A structural survey will be undertaken as part of the due diligence process, which will also include a full investigation of title.
- 3.6 Following purchase, it is important to generate income from the property or to utilise it for Council storage or other purposes. There are a number of options available, outlined in Appendix 2 (Exempt)

4 Next Steps

- 4.1 Following approval the Council will proceed to exchange of contracts and completion of the purchase of the Property. Other next steps are identified in Appendix 2 (Exempt).

5 Outcome of Consultations

- 5.1 Comments from the Head of Legal services are incorporated in this report.
- 5.2 Comments from the Head of Finance are incorporated in this report.
- 5.3 Comments from the Director of Property, Planning and Economic Development are incorporated in this report.

6 Other Courses of Action Considered but Rejected

- 6.1 The Council could not undertake the transaction but this would place in doubt the opportunity to undertake a comprehensive regeneration of this site

7 Financial Consequences

- 7.1 The purchase would be outside the Council's budget and therefore would need to be funded from the Council's Reserves.
- 7.2 The financial impact of this investment is set out in Appendix 2 (Exempt).

8 Risk Assessment

- 8.1 Property investment has a number of risk factors, which are set out in Appendix 2 (Exempt).

Appendix 1

Consequences of the Proposed Action

How will the proposal help to reduce Crime and Disorder?	It is considered that this proposal has no direct impact on Crime and Disorder
How will the proposal help to promote Human Rights?	This proposal is considered to be consistent with the provisions of the Human Rights Act 1988 although it is not considered that it will directly help to promote Human Rights.
What is the impact of the proposal on Equality and Diversity?	It is considered that any impact will be consistent with the Council's duties and applicable policies in respect of Equality and Diversity.
How will the proposal help to promote Sustainability?	The EPC for the property is D. A redevelopment will improve this rating.