

Chichester District Council

THE CABINET

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Development Site - The Grange Midhurst

Contacts

Report Author

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Cabinet Member

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1. Recommendation

- 1.1. That the Cabinet considers the offers received for the Grange disposal land and approves in principle the offer submitted by the preferred bidder, the details of which are set out in appendix 2 (exempt) to the agenda report.**
- 1.2. That the Director for Growth and Place be authorised, after consultation with the Cabinet Member for Growth and Place, to conclude a freehold sale, initially through a contract subject to planning, at not less than the figure stated in the exempt appendix 2.**

2. Background

- 2.1.** At its meeting on 1 November 2016 the Cabinet resolved that none of the offers presented was acceptable in their current form and that officers be authorised to take the site back to market and then to bring a further report to the Cabinet. The site was duly remarketed on an 'open ended' basis, including sending particulars of the site to those who had previously expressed an interest in the site.
- 2.3** Thirteen offers have been received since marketing recommenced. Of these, ten are for residential use with two of those for retirement homes. One offer is for a food store and one is described as being 'either residential or retail dependent on planning and demand.' The remaining offer for care home use is the preferred bid.

3. Outcomes to be Achieved

- 3.1** The Council is seeking to achieve the successful disposal at best consideration of Council owned land at The Grange Midhurst for appropriate development.

4. Proposal

- 4.1. It is recommended that the Cabinet accepts in principle the offer submitted by the preferred bidder for the development of a care home, the details of which are set out in appendix 2 (exempt).
- 4.2. It is further recommended that the Director for Growth and Place be authorised, after consultation with the Cabinet Member for Growth and Place, to conclude a freehold sale, initially through a contract subject to planning, at not less than the figure stated in the exempt appendix 2.

5. Alternatives Considered

- 5.1. A non-residential based development of the site is still considered to be both the most valuable and beneficial use to the community and has the potential to bring additional benefits such as local employment. It is considered that residential development would not give best value from the disposal and would bring fewer wider benefits.
- 5.2. There has been some suggestion of considering an 'enterprise hub' in the Midhurst area, which is a concept that requires further investigation and research. There has been no interest shown from potential bidders for this use, which is a strong indicator that there is no current demand for such a facility in this location.
- 5.3. No accepting any offers and returning the site to the market will entail additional officer time in coordinating enquiries and considering offers. There is a risk that returning the site to the market for a third time will be detrimental to its value as prospective purchasers may feel there are issues with the site causing the delay in disposal.
- 5.4 Two retail based bids have been received neither of which would generate the level of capital receipt offered by the preferred bidder. In addition neither of these bids provided sufficient supporting evidence to suggest they are viable.

6. Resource and Legal Implications

- 6.1. Details of the independent valuation of the site and the impact on the Council's financial position of accepting the preferred bidder's offer are set out at appendix 3 (exempt).
- 6.2. If the preferred bidder is able to demonstrate that their proposal is sound in all areas the Council has the prospect of receiving a capital receipt of the figure shown in appendix 2 (exempt)
- 6.3. There are existing internal resources from the legal and estates team that will be utilised to complete the sale transaction.

7. Consultation

- 7.1. External consultation on the development of the site was facilitated through the planning application process in respect of the residential development option.

7.2. Members have been consulted on the general proposals for this area via previous reports to the Executive Board and the Cabinet. Planning officers at the Council are to be consulted by way of a pre-planning enquiry that the preferred bidder is to submit.

7.3. Internal consultation with the Economic Development team provided feedback that this development will provide jobs to local people who will not need to travel out of Midhurst. The team further commented that it is possible that wider benefits will be felt by local businesses and shops as these employees may choose to shop locally. In addition, there is likely to be a benefit to local shops selling products which visitors to the care home may wish to purchase when visiting. Many care homes also encourage visits to the home by hairdressers, chiropodists etc. for the residents.

8. Community Impact and Corporate Risks

8.1. As part of the disposal process, consideration needs to be given to parking requirements to ensure the Grange Road car park has sufficient space for all categories of user. The development of the Grange Centre has provided a car park with 303 spaces and whilst the indicative scheme from the preferred bidder would bring some additional 'peak time' parking demand, most of the parking requirements would be outside of those times.

8.2. The preferred bid does not have contractual certainty at this stage and if it is decided to proceed with this bidder there is a risk that the bidder does not agree detailed terms or obtain planning permission for their proposed development.

8.3. Deciding not to proceed with the preferred bidder will result in a further delay in a capital receipt from this site.

9. Other Implications

	Yes	No
Crime and Disorder		x
Climate Change		x
Human Rights and Equality Impact		x
Safeguarding and Early Help		x
GDPR		x
Health and Wellbeing		X

10. Appendices

10.1 Appendix 1 – Site plan (Drawing no. 5274)

10.2 Appendix 2 – Financial detail of offer from preferred bidder [Part II exempt]

10.3 Appendix 3 – Council financial information [Part II exempt]

11. Background Papers

None.