

TBS/24/7
Cabinet
8th May 2024

The Property Change Programme Report of the Director of Transformation and Business Services

Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect.

1) Recommendation

That the Cabinet be asked to agree:

That the following sites are declared surplus to DCCs requirements and disposal is progressed:

- The Hive, Exmouth (noting this site has already been declared surplus as set out in section 3B below)
- 2-4 Meeting Street, Exmouth
- Rosalind House Gardens, Tiverton
- Lea Combe, Axminster
- Sowton Industrial Estate Residual Land Freeholds, Exeter

2) Background / Introduction

The Property Strategy focuses on four key principles; Reduce, Dispose, Retain, and Repurpose aimed to transform our corporate estate and this will form the methodology for reviewing the future use of our asset. The Property Strategy was set out in the Phase 1 Property Report presented to Cabinet in October 2023.

Update on Phase 1 Disposals

The Phase 1 property disposals agreed at Cabinet October 2023 have progressed as follows:

- Larkbeare House, Exeter – Sale agreed subject to contract and a planning change of use.
- Compass House, Exeter – This has now been sold to the NHS and a receipt of £900,000 received.
- Ivybank, Exeter – Informal tenders were received on 10th April 2024 and are currently being evaluated.
- Former Matford Offices land, Exeter – The site has been subject to a public notice consultation process. An options appraisal for this site is currently being completed for future consideration.

- St Georges Road Youth Centre, Barnstaple – DCC are seeking to agree terms with the adjoining landowner to jointly dispose of both sites with a target date to market the sites by the end of May.
- Pottington Industrial Unit, Barnstaple – This is now sold and a receipt of £500,000 received.

The capital receipts generated from the sale of property assets for 23/24 was as follows:

Part Aldens Farm (East) (2023/24)		£4,062,534	Pre Phase 1
Plot 3 Roundswell Enterprise Park (south of bypass)	Barnstaple	£624,000	Pre Phase 1
Seetec/Pluss site	Barnstaple	£500,000	Phase 1
Land adjacent to Tarka Trail at Chivenor	Chivenor, Braunton	£177,000	Pre Phase 1
Compass House	Exeter	£900,000	Phase 1
Land at Fenny Bridges	Honiton	£4,000	Pre Phase 1
Part Mullacott Cross Industrial Estate	Ilfracombe	£45,000	Pre Phase 1
Plymouth Road	Kingsbridge	£26,500	Pre Phase 1
Highways Depot (Brayhams)	Okehampton	£452,000	Pre Phase 1
Land at Shillingford	Shillingford	£35,000	Pre Phase 1
Land at Plymouth Rd (layby)	Tavistock	£150,000	Pre Phase 1
Land at Ley Farm	Yarnscombe	£70,000	Pre Phase 1
		£7,046,035	

The capital receipts for 24/25 is anticipated to be in the region of £7 million.

3) Proposal

3a. Update on Site Repurposing Proposals

The following sites have been identified as being suitable for 'Staying Close' accommodation and it is intended that they will be repurposed to accommodate children in care in Devon:

- Copperfields, Exmouth
- Newholme, Honiton
- Rosalind House, Tiverton

3b. Proposed Phase Two Disposals

It is recommended that the following assets be declared surplus to DCCs requirements and are disposal is progressed:

- 2-4 Meeting Street, Exmouth – The building is being vacated by Public Health Nursing and a local Ceramic Group who are relocating to the Kennaway Centre, Exmouth (current DCC building). This is a building which could be used for residential or commercial use subject to change

of use and if approved for disposal will be marketed over the summer 2024 period. The service will have relocated by the end of May.

- Rosalind House Gardens, Tiverton – Rosalind House is being repurposed for Staying Close provision, however it has a large garden which is considerably bigger than required for Staying Close or likely alternative uses. The proposal is to market the garden as a potential residential development site for one to two houses.
- Lea Combe, Axminster – This site has been identified in the first draft of East Devon District Council plan as suitable for residential development and is in the built-up area boundary for Axminster. The site will potentially be suitable for four to six houses. The site was previously being safeguarded for a highways development scheme but this is no longer required.
- Sowton Industrial Estate Residual Land Freeholds, Exeter – DCC and Exeter City Council jointly own the freehold of three sites in Sowton. Freehold disposals will only proceed if DCC valuers are able to secure values which exceed the longer term value of the factored up ground rent.
- In addition to note, The Hive in Exmouth was formally declared surplus to requirements on 14th March 2024 by Member Decision.

Update on key property matters in Exmouth, Tiverton and Tavistock

- Exmouth - The Kennaway Centre has recently been released by Learn Devon, and this has provided a large building to restructure services in Exmouth. The Kennaway Centre is in good condition. Work is underway to relocate the Youth Centre from The Hive and it is intended that the Public Health Nursing Team, and The Ceramic Group will be relocated from 2-4 Meeting Street into The Kennaway Centre.
- Tiverton - Childrens Services were relocated from Oaklands Court to Phoenix House (owned by Mid Devon District Council) in December 2023 and office space reduced overall.
- Tavistock and Newton Abbot – an assessment and review of office accommodation is underway.

4) Options / Alternatives

DCC has considered three options for Phase 2 of the Property Change Programme:

- a. Dispose - this is the option recommended by this report, to support the property strategy to transform the estate and dispose of the listed properties. These assets will generate significant capital receipts, ongoing

revenue savings, and avoids the requirement for revenue and capital investment in the sites for critical backlog maintenance.

- b. Retain - do nothing and retain our portfolio as status quo. This option is not recommended as it has been identified that these buildings are not cost-effective, and there are other assets where services could relocate. This is also not recommended as it will significantly hinder the Council's financial sustainability targets.
- c. Repurpose - opportunities have also been explored to repurpose these assets to meet other corporate priorities, including key worker housing, SEND provision and Children in Care placements and these will be considered based on priority and demand moving forward.

5) Consultations / Representations / Technical Data

Consultations are not required for these disposals as they are not related to closure of service. Where staff or services are being relocated these are within the same locality.

6) Strategic Plan

The Property Change Programme contributes to four of the six priorities in the Council's Strategic Plan 2021 – 2025.

By delivering capital receipts from rationalising the corporate estate and associated savings from reduced infrastructure services, energy costs, carbon emissions and investing in modern, fit for purpose, energy efficient workplaces the Property Change Programme will:

- Respond to the climate emergency.
- Support sustainable economic recovery.
- Improve health and wellbeing.
- Help communities be safe, connected and resilient.

7) Financial Considerations

It is estimated that this will generate capital receipts of circa £2.0m – 3.0million (depending on planning approval) and reduce revenue costs by circa £50k-100k per annum. In addition, it avoids backlog maintenance investment requirements of circa £400k.

8) Legal Considerations

The lawful implications of the proposal have been considered in the preparation of this report.

When disposing or repurposing our property assets, the County Council's responsibility is to ensure that all relevant legislation is complied with; this

includes Section 123 of the Local Government Act 1972 (Disposal of land by principal councils), which requires the Authority to obtain 'best consideration' for any property that is disposed of.

9) Environmental Impact Considerations (Including Climate Change, Sustainability and Socio-economic)

10) Equality Considerations

The proposals help advance equality of opportunity for people who share a protected characteristic and those who don't in numerous ways, for example, they will:

- Provide workplaces that meet service needs and are accessible for all people with equal opportunities to training and employment opportunities.
- Enable people to become better connected with services and engage in greater organisational understanding.
- Promote a working environment conducive to the physical and mental health and wellbeing among all staff.

11) Risk Management Considerations

This proposal has been assessed and all necessary safeguards or action have been taken to safeguard the Council's position.

The corporate and community risk registers will be reviewed to ensure all relevant risks in the Property Strategy are captured and managed.

12) Summary / Conclusions / Reasons for Recommendations

In summary, occupancy statistics demonstrate that we can reduce our portfolio without detriment to services and this property change programme will reduce our carbon footprint, provide value for money, generate capital receipts, and reduce revenue expenditure contributing towards the financial sustainability of the authority.

The property portfolio will be reviewed as part of an ongoing rolling programme to ensure the estate is aligned to the corporate priorities, including making best use of assets and buildings.

Matthew Jones

Director of Transformation and Business Services

Electoral Divisions: All

Cabinet Member for Policy, Corporate and Asset Management: Councillor John Hart

Local Government Act 1972: List of background papers

None

Contact for enquiries:

Name: Matthew Jones

Telephone: 01392 381899

Address: County Hall, Exeter, EX2 4QD

The Property Change Programme