

## SURREY COUNTY COUNCIL

CABINET MEMBER  
DECISION

<b>DATE:</b>	<b>29 OCTOBER 2024</b>
<b>REPORT OF CABINET MEMBER:</b>	<b>NATALIE BRAMHALL, CABINET MEMBER FOR PROPERTY, WASTE AND INFRASTRUCTURE</b>
<b>LEAD OFFICER:</b>	<b>DIANE WILDING, DIRECTOR OF LAND AND PROPERTY</b>
<b>SUBJECT:</b>	<b>SURPLUS DECLARATION AND JOINT MARKETING– LAND AT DEEPDENE AVENUE, DORKING</b>
<b>ORGANISATION STRATEGY PRIORITY AREA:</b>	<b>GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT/ TACKLING HEALTH INEQUALITY/ ENABLING A GREENER FUTURE/ EMPOWERING COMMUNITIES</b>

<b>Purpose of the Report:</b>
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This report seeks Cabinet Member approval to declare land formally surplus to operational requirements to facilitate its disposal through a joint marketing exercise with the Surrey Police and Crime Commissioner (the Police)

A separate Part 2 report contains information which is exempt from Access to Information Requirements by virtue of Schedule 12A Local Government Act 1972, paragraph 3, “Information relating to the financial or business affairs of any particular person (including the authority holding that information”).

<b>Recommendations:</b>
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It is recommended that the Cabinet Member for Property Waste and Infrastructure:

1. Formally declares the asset surplus to operational requirements (in conjunction with the Leader and Deputy Leader).
2. Approves the proposed joint marketing of the asset with the Surrey Police and Crime Commissioner under a Memorandum of Understanding to include governance controls and price sharing mechanisms
3. Delegates authority to the Director of Land and Property, in consultation with the Executive Director for Environment, Property and Growth to finalise a best value transaction and conclude all associated legal agreements.

<b>Reason for Recommendations:</b>
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Cabinet has previously endorsed rationalisation of the surplus estate. SCC owns a parcel of land that abuts the southeast of the A24/A25 roundabout at Dorking shown hatched in Annex 1 and comprising a landlocked parcel of approximately 0.19 hectares (0.46 acres). Although it immediately abuts the adopted highway there is no vehicular access onto the parcel given the constraints of the adjacent highway. There is no SCC operational use for the land.

Surrey Police and Crime Commissioner (Police) owns 3 adjacent houses and a further parcel of roadside land that controls access to SCC lands and in total comprises 0.85 acres. The Police land is surplus to their requirements, and they are seeking to market the property.

Therefore, the opportunity has arisen to combine the SCC land with the Police land to market jointly and to enable the disposal of what would otherwise remain a SCC owned landlocked asset.

To enable the joint marketing and ultimate disposal, Cabinet is requested to formally declare the SCC's land parcel surplus to operational requirements under SCC's Constitution.

#### **Executive Summary:**

1. Adjacent land parcels owned by both the SCC and Surrey Police and Crime commissioner offer an added value opportunity for redevelopment, subject to the outcome of marketing and town planning.
2. Options considered as part of collaborative discussions for a marketing proposal include:
  - i) A disposal unconditional on planning - this normally gives a lower land value as the purchasers take on the full site and planning risk, including potential ground condition issues. This option would provide the least risk to a disposal for both parties.
  - ii) A disposal conditional upon planning - on this basis a sale would be subject to the successful outcome of planning submitted by the successful bidder. This would pass controls on planning over the site to a third party and defers any capital receipt until all conditions are satisfied, whilst both SCC and Police still hold the land risk in the interim.
  - iii) SCC and/or Police submitting and securing an outline scheme to de risk a future sale. This activity would require direct investment in town planning, ground and site survey activities - but may not ultimately be used by a bidder (i.e. a consented scheme for houses jettisoned by a roadside developer bidder).
  - iv) SCC could reject the approach and keep the status quo of managing the roadside parcel (via highways maintenance)

Options (i) and (ii) are the recommended ways forward. The parties will agree the key principles of the disposal through a memorandum of understanding to include price sharing mechanisms and governance controls.

The land owned by SCC is not part of the adopted highway. Any planning application submitted to the local planning authority, Mole Valley District Council, will still require SCC to act as statutory consultee on highway matters relating to any development proposals.

Outline of Proposal/Memorandum would include

- Open marketing exercise via Police appointed framework agents (Vail Williams) on a fully transparent basis as a joint instruction.
- Consider all conditional and unconditional offers to demonstrate best value.
- The split of value (as outlined in the Part 2 report)
- Marketing Costs to be shared (on same split)
- Both parties responsible for managing their own land parcels but enabling any site surveys required
- Both parties pay their own legal costs
- Marketing budget as recommended and agreed.
- Subject to Contract and appropriate Governance approvals.

### 3. Conclusions

SCC has an opportunity to facilitate an added value disposal alongside its public sector stakeholder, the Surrey Police and Crime Commissioner.

Subject to concluding terms for a memorandum of understanding, a marketing transaction and sale process can be pursued.

To initiate and facilitate the process a formal surplus declaration is required.

#### Risk Management and Implications:

	<b>Risk Description</b>	<b>Mitigation</b>
1	Planning permission	The purchaser will be fully responsible for funding and securing their own consent, whether and unconditional or conditional sale is pursued. The Planning authority is Mole Vallet DC
2	Bidders withdraw	Ability to remarket site.
3	Vacant site	The SCC site will continue to be managed until completion via its highway maintenance contract
4	Cost increases: Inflation and Market Costs	All funding and construction risks are passed to the purchaser.
5	Contract period	The parties will have to agree to a long stop date to any contract for sale as part of the Memo of understanding, aligned to the likelihood of planning and /or appeal as may be required.
6	Net Zero Carbon targets	The purchaser will be responsible for delivery of all design and net zero carbon standards, within policies adopted by Mole Valley District Council.
7	Site/ground conditions	The purchaser will undertake their own due diligence and surveys.

#### Financial and Value for Money Implications:

1. The proposal arises from collaborative discussions between SCC and the Police for a joint open marketing campaign, details of which are outlined in the Part 2 report.
2. There is an added value benefit to be secured through joint marketing given the parties adjacent land interests, noting the Police land enables access for the SCC land, whilst the SCC land provides best roadside viability to the Police land.
3. A value sharing mechanism will form part of the Memorandum of Understanding between the parties
4. Land maintenance and twice-yearly mowing is carried out by the highways team as part of its wider highway contract arrangements, and thus the transaction will secure a small revenue saving once a sale is concluded.

5. Legal Services will be instructed to conclude a Memorandum of Understanding and to ensure the Council comply with their legal and statutory obligations, going forward as marketing is pursued.
6. Final terms for any transaction will be reported in accordance with Governance processes

<b>Section 151 Officer Commentary:</b>
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7. The Council continues to operate in a very challenging financial environment. Local authorities across the country are experiencing significant budgetary pressures. Surrey County Council has made significant progress in recent years to improve the Council's financial resilience and whilst this has built a stronger financial base from which to deliver our services, the cost-of-service delivery, increasing demand, financial uncertainty and government policy changes mean we continue to face challenges to our financial position. This requires an increased focus on financial management to protect service delivery, a continuation of the need to deliver financial efficiencies and reduce spending in order to achieve a balanced budget position each year.
8. In addition to these immediate challenges, the medium-term financial outlook beyond 2024/25 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority, in order to ensure the stable provision of services in the medium term.
9. The proposal in this report supports the wider strategy for asset rationalisations and offers potential for a capital receipt to support the funding of the capital programme, as assumed in the Medium Term Financial Strategy. Furthermore, there will be a small revenue saving attached to verge maintenance. As such, the Section 151 Officer supports the recommendation.

<b>Legal Implications – Monitoring Officer:</b>
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10. This paper seeks Cabinet Member approval to declare an asset surplus, and to enter into a collaborative arrangement with the Surrey Police and Crime Commissioner to facilitate a joint marketing exercise and added value release from an SCC land interest.
11. Under Section 123 of the Local Government Act 1972 (LGA 1972), local authorities have the power to dispose of land in any manner they wish, subject to the disposal being for the best consideration reasonably obtainable. In pursuing any options to dispose, the Council should ensure that the price for any such disposal is 'market value' to comply with Section 123 LGA 1972.
12. The Cabinet Member has been asked to formally declare this asset as surplus to operational requirements at recommendation 1. For any such declaration, the Council's internal processes and any relevant guidance and statutory requirements must be followed.
13. Due regard to the Council's fiduciary duties to residents in respect of utilising public monies should be considered, and the Cabinet Member will want to satisfy themselves that the recommendations set out in this report represents an appropriate use of the Council's resources.

14. If any application for Planning Permission may be required, there is no guarantee of approval by the relevant Local Planning Authority, and this is outside of the Council's control.
15. Legal advice is commissioned to ensure the Council meets its obligations throughout all stages of the process.

**Equalities and Diversity:**

16. A full Equality Impact Assessment is not needed as this proposed disposal does not impact adversely on any specific parties, but a sale is seen as a benefit for the wider community given it will be brought back into full use through redevelopment.

**Other Implications:**

17. The potential implications for the following Council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

<b>Area assessed:</b>	<b>Direct Implications:</b>
Corporate Parenting/ Looked After Children	None arising from this report.
Safeguarding responsibilities for vulnerable children and adults	None arising from this report.
Environmental sustainability	None arising from this report.
Compliance against net-zero emissions target and future climate compatibility/resilience	A property disposal has no specific implications.  Future development if pursued falls within Mole valley District Council planning and Net Zero Carbon policy frameworks otherwise supported by the Council.
Public Health	None arising from this report.

**What Happens Next:**

18. Lawyers are instructed to agree a Memorandum of Understanding to support marketing. Vail Williams have been commissioned by the Surrey Police and Crime Commissioner to market the asset.
19. The successful bidder will be fully responsible for securing their own planning consent and both delivering and managing the scheme, together with managing all local stakeholder enquiries.

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**Report Author: Graham Glenn, Head of Acquisitions and Disposals**  
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**Consulted:**

- Natalie Bramhall, Cabinet Member for Property, Waste and Infrastructure
- Simon Crowther, Executive Director, Environment, Property and Growth

- Diane Wilding, Interim Director, Land and Property
- Colin Galletly, Assistant Director, Estates
- Local Member
- Property Panel and Capital Programme Panel members
- Legal teams (Kara Burnett, Property Legal team)
- Finance team (Louise Lawson and Rachel Wigley)

**Sources/background papers:**

Annex 1 Site Plan

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