

**SURREY COUNTY
COUNCIL**

CABINET



DATE: 22 APRIL 2025

**REPORT OF
CABINET MEMBER:** NATALIE BRAMHALL, CABINET MEMBER FOR
PROPERTY, WASTE AND INFRASTRUCTURE

LEAD OFFICER: SIMON CROWTHER, EXECUTIVE DIRECTOR FOR
ENVIRONMENT, PROPERTY AND GROWTH

SUBJECT: DISPOSAL OF FORMER CHALK PIT DEPOT, CHALK PIT
LANE GREAT BOOKHAM, KT23 4HA.

**ORGANISATION
STRATEGY
PRIORITY AREA:** GROWING A SUSTAINABLE ECONOMY SO EVERYONE
CAN BENEFIT/ TACKLING HEALTH INEQUALITY/
ENABLING A GREENER FUTURE/ EMPOWERING
COMMUNITIES

Purpose of the Report:

This report seeks approval of Cabinet to the freehold disposal of Chalk Pit Depot, Great Bookham following an open market campaign. The asset is offered with full vacant possession, and the transaction is conditional on various factors outlined in this report.

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)".

Commercial terms for the transaction are detailed in a separate part 2 report.

Recommendations:

It is recommended that Cabinet:

1. Formally declares the asset surplus to operational requirements.
2. Approves the sale of Former Chalk Pit Depot, Great Bookham to the party and on the terms outlined in the part 2 report including the price variation mechanisms.
3. Delegates authority to the Director of Land and Property, in consultation with the Executive Director for Environment Property and Growth, to finalise the transaction and conclude all associated legal agreements to include matters outlined in the part 2 report.

Reason for Recommendations:

- Cabinet has previously endorsed rationalisation of the surplus estate, and the report follows an open marketing campaign of Former Chalk Pit, Great Bookham.
- Full status and funding enquiries have been made of the part outlined in the part 2 report and the transaction is recommended as supporting best value obligations.
- To enable the disposal, Cabinet is requested to formally declare the asset surplus to operational requirements under the Surrey County Council's (The Council) Constitution.

Executive Summary:

1. The property comprises of a hardstanding depot yard area, with immediate access on to Chalk Pit Lane.
2. The asset is no longer needed to support operational needs having initially been used as a council highway depot and vacated but last used for temporary storage of county 'highway winter fleet' vehicles in Autumn 2024. Although the Council continues to bring forward projects for its core service needs, Former Chalk Pit Depot site remains not appropriate to support current models of delivery with no specific locality requirement; on that basis the asset has been recommended for a surplus declaration. The proposal is to seek formal Cabinet approval to the disposal of Former Chalk Pit Depot Great Bookham, as it is no longer needed to support operational needs having initially been used as a council highway depot.
3. The asset sits on a site extending to 0.82 hectare (0.38 acres) and the marketing brochure is attached as Appendix 1.
4. Former Chalk Pit Depot is no longer needed to support operational needs having initially been used as a council highway depot - the most recent being when it was used for temporary storage of county 'highway winter fleet' vehicles in Autumn 2024. Although the Council continues to bring forward projects for its core service needs, this site remains not appropriate to support current models of delivery with no specific locality requirement; on that basis the asset has been recommended for a surplus declaration.
5. At close of marketing, which included viewing days, bids were received; after evaluation of bids and the status of each party, a further round of negotiations was undertaken to ensure mechanisms for any price adjustments were fully agreed, including clawback and overage provisions as outlined in the Part 2 Report.
6. In the context of Mole Valley District Council's Local Plan (Adopted October 2024) confirms allocation for development of 7 residential dwellings, relevant bids that were conditional upon the success of town planning for redevelopment and change of use, were reviewed for deliverability risk

between the Council's property consultants and their planning team colleagues.

7. Options considered as part of the pre-marketing included:

- 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.
- ii) A disposal conditional upon planning: On the basis that 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 the Council still holds the land risk in the interim, so incurring additional delay and risk to the Council for delivery of capital receipt income.
- iii) The Council submitting and securing an outline scheme to de-risk a future sale incurring cost and time delay. This premarketing activity would have required direct investment in town planning, ground, and site survey activities, but may not have been used by a bidder.
- iv) Retained service use: After extensive reviews across all services, the asset was not required, hence this report seeks a formal surplus declaration.
- v) Halsey Garton Residential (HGR) declined the opportunity on the grounds that it does not take on speculative development risk and its current portfolio is currently existing income producing assets. Whilst the Council is keen to support housing of all types, it is not a direct housing developer.

8. A full schedule of bids received is attached with the Property Consultant's Report and Recommendation as Appendix 2 in the part 2 report.

9. The Council's Legal Services team has been appointed to provide conveyancing services and to ensure all disposals accord with statutory obligations.

Risk Management and Implications:

	Risk Description	Mitigation
1	Planning permission	The purchaser would be fully responsible for funding and securing any scheme for redevelopment or change of use
2	Bidders withdraw	Ability to remarket site
3	Cost increases: Inflation and Market Costs	All funding and associated risks are passed to the purchaser

5	Net Zero Carbon targets	A purchaser would be responsible for compliance with the District Council's planning policy and design standards, which include Net Zero Carbon targets
6	Site/ground conditions	See part 2

Financial and Value for Money Implications:

10. The transaction arises from an open marketing campaign which secured valued bids as outlined in the part 2 report.
11. The recommended bid and terms outlined in the Part 2 Report are confirmed as supporting best value by the marketing agents and their summary report is attached to the part 2 report (Appendix 2).
12. After extensive reviews across all services, the asset is not required for other capital schemes. The receipt will contribute to the MTFS capital receipt targets and the sale will ensure there are no ongoing revenue and void costs to maintain the site once completed
13. Whilst there is a risk that any purchaser could withdraw from a transaction, the site would be remarketed incurring nominal additional marketing costs and bid levels re- tested against the market at that time.
14. Legal Services has been instructed to conclude conveyancing matters and to ensure the Council complies with its legal and statutory obligations subject to final approval of this report.

Section 151 Officer Commentary:

15. Surrey County Council, like all local authorities, continues to operate in a very challenging financial environment, with significant budgetary pressures and future funding uncertainty. Despite coming from a position of strong financial resilience, the Council is not immune to the impact of increasing demand and costs of service delivery. The Council has a duty to ensure its expenditure does not exceed the resources available and therefore it is vital that we continue to place significant importance on financial management, the delivery of efficiencies and reducing spending, to protect service delivery and achieve a balanced budget position each year.
16. In addition to delivering services within a balanced budget, the Council needs to consider the medium-term financial outlook beyond 2025/26. With little clarity on the Council's funding in the medium term, our working assumption is that financial resources will continue to be constrained. This, coupled with the impact of Local Government Reorganisation, places an onus on the Council to continue to consider issues of medium term financial sustainability as a priority, in order to ensure the stable provision of services both for the remaining term of Surrey County Council and that of future unitary authorities into the medium term.

17. The proposal in this report supports the wider strategy for asset rationalisation and the capital receipt supports the funding of the capital programme. There is minimum revenue impact. As such the recommendations support the delivery of the capital receipts target assumed in the MTFs.

Legal Implications – Monitoring Officer:

18. This paper seeks Cabinet approval to formally declare the site known as Former Chalk Pit Depot, Great Bookham surplus to operational requirements, and to authorise the disposal of this asset.

19. All relevant guidance and the Council’s internal processes must be followed in respect of the surplus declaration at recommendation 1.

20. Recommendation 2 relates to the sale of this site. 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 the Section 123 LGA 1972. It is noted above that the transaction meets the best value requirements.

21. All relevant steps and necessary checks as to the source of funds of the purchaser should be carried out in accordance with the Council’s Anti-Money Laundering Policy and legal advice should be sought to ensure the Council’s meets its obligations throughout all stages of the transaction.

22. Cabinet is under fiduciary duties to local residents in utilising public monies and in considering this matter, Cabinet Members will want to satisfy themselves that any spend required by the Council represents an appropriate use of Council resources.

Equalities and Diversity:

23. 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 enable the asset holding to be regenerated, whilst providing a capital receipt to support Council services.

24. 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.

Area assessed:	Direct Implications:
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. Any refurbishment or development if pursued falls within District Council's planning and Net Zero Carbon policy frameworks otherwise supported by the County Council.
Public Health	None arising from this report.

Other Implications:

25. None

What Happens Next:

26. Lawyers are instructed and seeking to exchange early conditional contracts, subject only to Cabinet approval to the transaction.

27. The purchaser will be fully responsible for their own costs in acquiring the site and any future operational costs in use, planning, development or refurbishment costs as they may subsequently pursue.

**Report Author: Chris Duke, Acquisition and Disposal Manager,
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Consulted:

- Natalie Bramhall, County Cabinet Member, Property, Waste & Infrastructure
- Simon Crowther, Executive Director, Environment, Property and Growth
- Diane Wilding, Director of Land and Property
- Colin Galletly, Assistant Director, Estates
- Asset Strategy Board
- Property Panel
- Property Legal Teams (Kara Burnett)
- Finance Team (Louise Lawson, Rachel Wigley)

Appendices:

Appendix 1: Marketing Brochure
Part 2 Report
