

Approved By: Chief Officer	Classification of Paper: CONFIDENTIAL
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Report to PCC	Report reference number PCC/ 092/16
Date of Decision Date of Report : 18th October 2016	Area of County/Stakeholders affected Former Rochford Police Station
Title of report: Sale Approval – Former Rochford Police Station	
Report by: Simon Curling, Interim Head of Operational Estates	
Enquiries to: Simon Curling, Interim Head of Operational Estates	

1. Purpose of report

- 1.1 To seek approval to the unconditional sale of the Former Rochford Police Station at a price of £925,000, with a target completion date of 31st January 2017.

2. Recommendations

- 2.1 To proceed with the unconditional sale of the Former Rochford Police Station at a price of £925,000, with a target completion date of 31st January 2017.

3. Benefits of Proposal

- 3.1 This proposal disposes of surplus Estate at the Former Rochford Police Station.
- 3.2 This proposal delivers a substantial receipt to the Capital Funds of the Commissioner.
- 3.3 This proposal is for a rapid unconditional sale and is not dependent on either party obtaining planning permission.
- 3.4 This proposal is on cash funding basis and does not require the sale of any other premises.
- 3.5 The proposal will assist early delivery of the Capital Programme.
- 3.6 The proposal will reduce the need for Capital Programme borrowing.

4. Background and proposal

- 4.1 The Former Rochford Police Station was closed for operational use by the former Essex Police Authority in 2012.
- 4.2 The building was used for storage purposes for around 2 years.
- 4.3 Negotiations took place in 2013 for an acquisition by partner bodies.
- 4.4 Terms were agreed for Essex County Council to acquire the property in 2014 for £650,000.
- 4.5 Essex County Council were unable to progress their purchase and following suggestion of reduction in purchase price the sale to them was terminated by the previous Police & Crime Commissioner.
- 4.6 The property was marketed in early 2016.
- 4.7 Following that marketing a sale was agreed in Spring 2016 conditional on planning at £1,500,000. That offer has recently been withdrawn following the receipt of long delayed pre-application planning advice from Rochford Council. The offer, made pre-Brexit, would only have worked with total demolition and a very high density replacement scheme. On clarification with Rochford Council neither of those are supported so the figure is simply not justified without a long drawn-out planning process and, almost certainly a Planning Appeal, (estimated at 12 to 18 months) with no firm guarantee of success.
- 4.8 An unconditional offer of £1,075,000 was made at the same time. That offer has also been withdrawn and therefore similarly has to be treated with a degree of scepticism regarding delivery of a sale at this figure.

- 4.9 The current proposed purchasers, JKS, previously offered £816,750 on an unconditional basis, and were previously the second best unconditional offer, so have offered a significant uplift.
- 4.10 We have a planning fee quote at Rochford of approximately £22,000. Based on other applications I think we are likely to be asked for specialist Reports costing up to another £20,000.
- 4.11 Although Rochford Council will in theory only have 13 weeks to determine a planning application (as a Major Application) experience to date indicates they will take very significantly longer to do this.
- 4.12 It thus took the previous highest bidder, Stonechart several months to get detailed feedback from a pre-application planning meeting, which lead them to re-evaluate and withdraw.
- 4.13 Our original formal valuation advice in 2013 was £250,000.
- 4.14 The latest formal valuation, carried out by ECC as part of their abortive 2014/15 bid for the site was £650,000.
- 4.15 Our marketing agents, Ayers & Cruiks' view, reflecting the prescriptive approach set by Rochford in terms of either conversion or demolition and rebuilding, is that with planning permission they would hope to achieve £1,100,000.
- 4.16 Given that it will probably cost us £30,000 to £40,000 to achieve planning and, realistically, take at best 6 to 9 months I do not see there is much added value in pursuing planning ourselves in the light of this latest offer, as we might achieve an uplift of £150,000 but with considerable uncertainty in terms of timing and outcome.
- 4.17 I have a strong recommendation from Ayers & Cruiks that we should accept £925,000 and target completion by the end of January 2017.
- 4.18 I endorse this recommendation that we should now sell unconditionally to JKS for £925,000.

5. Police and Crime Plan

- 5.1. The sale meets the current Commissioner's Manifesto Commitments on value for money and maximising use of assets.
- 5.2. The sale is a key part of maximising use of assets, referred to in the previous Commissioner's Police & Crime Plan.
- 5.3. The sale is entirely consistent with the Estate Strategy principles of maximising the value of the Former Rochford Police Station site, disposing of that site and reinvesting in new Estate.

6. Police Operational Implications

- 6.1 There are no adverse Police Operational implications arising from the sale.
- 6.2 Completion of the sale will assist in delivering the Capital receipts to reinvest in improving Police Operational delivery.
- 6.3 If the sale is not progressed there will be a Capital receipt shortfall of at least £925,000, which will inhibit the reinvestment into the Estate.

7. Financial Implications

- 7.1 If this sale is not undertaken it is likely that the sale price of the Former Rochford Police Station may well be lower due to perceived issues with the site if it is marketed for a third time.
- 7.2 If this sale is not undertaken it is likely that the sale process will be more protracted.
- 7.3 A failure to maximise the sale value of the building could place the Commissioner in breach of the fiduciary duty to sell assets for best consideration.

8. Legal Implications

- 8.1 There are no legal implications arising from the sale.
- 8.2 A failure to maximise the sale value of the building could place the Commissioner in breach of the fiduciary duty to sell assets for best consideration.

9. Staffing and other resource implications

- 9.1 There are no internal staffing implications.
- 9.2 There are no employment legislation implications.

10. Equality and Diversity implications

- 10.1 No Equality Impact Assessment has been carried out for this sale.
- 10.2 It is not considered that an Equality Impact Assessment is required for this particular sale.

11. Background papers

- 11.1 Estate Strategy Strategic Options Analysis.

Publication

Reasons for non-publication (state 'None' if applicable)

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Signed/Print name

Report for publication	YES	<input type="checkbox"/>
	NO	<input type="checkbox"/>

If the report is not for publication, the Executive Director will decide if and how the public can be informed of the decision.