

FAREHAM

BOROUGH COUNCIL

Report to the Executive for Decision 04 June 2018

Portfolio:	Policy and Resources
Subject:	Disposal of Property at Holly Hill Mansion – Asset Disposal
Report of:	Director of Finance and Resources
Corporate Priorities:	A Dynamic, prudent and progressive Council

Purpose:

To obtain the approval of the Executive to the sale of Holly Hill Mansion, Sarisbury Green.

Executive summary:

Holly Hill Mansion is an early 20th century house which was converted in the 1970s into 13 sheltered flats. Residents were moved to the newly completed sheltered housing scheme, Sylvan Court in March 2017 and the house has been vacant since that time.

The quality and layout of the accommodation does not meet modern standards and as a result the property has been marketed as a redevelopment opportunity.

This report asks the Executive to confirm that Holly Hill Mansion is surplus to requirements and seeks approval to dispose of the asset and obtain a capital receipt for the Council.

Recommendation:

It is recommended that the Executive:

- a) confirms that Holly Hill Mansion is surplus to the Council's requirements; and
- b) delegates authority to the Director of Finance & Resources, following consultation with the Executive Leader, to accept the most commercially advantageous bid for the disposal of the asset.

Reason:

To obtain the approval of the Executive to the sale of Holly Hill Mansion.

Cost of proposals: The sale will secure a capital receipt for the Council. Initial marketing costs will be required when the site is placed in the open market.

Appendices: **A:** Holly Hill Mansion Site Plan

B: Confidential Appendix B – Lambert Smith Hampton’s
Report of Offers

C: Confidential – Preferred Bid

Background papers: None

Reference papers: None

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Executive Briefing Paper

Date:	04 June 2018
Subject:	Disposal of property at Holly Hill Mansion – Asset Disposal
Briefing by:	Director of Finance and Resources
Portfolio:	Policy and Resources

INTRODUCTION

1. Holly Hill Mansion is owned by Fareham Borough Council and has been vacant since the residents relocated in March 2017, when the newly constructed Sylvan Court was completed. The building is locally listed and located adjacent to the Holly Hill Woodland Park. A site plan is attached at Appendix A.
2. The property, has been deemed by the Housing service not to meet modern standards for sheltered housing. Given the age and structural layout of the building it would not be viable or suitable to convert the building to non-age restricted council housing.
3. The intention therefore is to dispose of the property at best consideration to a purchaser who has experience in sympathetic conversions/refurbishments of historic buildings thus retaining an important local building and increasing the supply of quality residential accommodation in the area.

BACKGROUND

4. The property was subdivided into 13 'elderly persons flats' in the 1970s. The property now requires comprehensive and substantial internal refurbishment including alteration of the layout to bring up to modern standards.
5. Given its age and type of construction the property does not present a viable/suitable development opportunity for FBC without the demolition of the existing building.
6. Lambert Smith Hampton (LSH) were appointed by FBC to achieve best consideration by marketing the property to a selection of developers who have a track record of sympathetically refurbishment/ conversion of period properties.
7. The brief provided to LSH stated that the sale would be dependent on the purchaser retaining the house in its existing form with limited/no alterations to its existing façade and a sympathetic conversion of the interior.

DISPOSAL OF THE ASSET

8. There were concerns that, in openly marketing the property, the fact it was vacant would be made known to many parties and this would leave the property more vulnerable to acts of vandalism/squatters etc. A wide marketing campaign would also attract non-viable bids and this would delay the sales process, again leaving the building vulnerable to break in, which could endanger its period features and reduce its value.
9. In accordance with the Council's Financial Regulations it is possible to dispose of an asset without open competitive tenders if it is not in the Council's best interest. It is believed that due to the points outlined above, a limited marketing exercise rather than a full open market exercise would be the way to achieve best value for FBC.
10. LSH were chosen as marketing agents as they have a strong track record of disposal of similar assets and as a result have the skill set required and possess a list of active developers that have completed relevant recent projects. Major clients of LSH include Hampshire Constabulary for whom they disposed of several properties in the region. LSH agreed that the best way of disposing of the property was to ask for expressions of interest from developers with experience in sympathetic and high-quality period property conversions.

OFFERS - SELECTION PROCESS

11. LSH asked for offers by a prescribed date and 8 offers were received; their Report of Offers is attached at the Confidential Appendix B.
12. The offers were worked through by LSH looking for compliance with our selection criteria; with matters such as credentials, design and scheme layout, planning, track record, timetable, deliverability, conditionality and overage provisions taken into consideration.
13. LSH then recommended a preferred bid to FBC.

INDEPENDENT VALUATION

14. To ensure that the offers received reflected best value, we appointed Vail Williams LLP property consultants to undertake an independent valuation of the property so we could ensure that the bid selected was at/or more than Market Value.

CONCLUSION

15. Details of the preferred bid and the rational for accepting this bid are attached at Confidential Appendix C.
16. It is recommended that officers proceed with a disposal of the asset to the preferred bidder and that delegated authority given to Director of Finance and Resources to conclude the sale.
17. The sale will secure a capital receipt for the Council from which will be deducted costs of sale including agent's and legal fees.

Enquiries: For further information on this report please contact Marie Newman. (Ext 4670)