

# Brighton & Hove City Council

## Strategy, Finance & City Regeneration Committee

## Agenda Item 134

**Subject:** Disposal of Connaught Annex

**Date of meeting:** 25 April 2024

**Report of:** Corporate Director of City Services

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**Ward(s) affected:** Central Hove

### For general release

#### 1. Purpose of the report and policy context

- 1.1 To seek approval for the disposal of this detached building which is known as the Connaught Day Centre (the Connaught Annex). The property was previously occupied by West Hove Primary School but is now surplus to requirements.
- 1.2 It is proposed that this building is sold to the Jeanne Saunders Centre (Penny Gobby House) Charity (“the Charity”) specialising in nursery care and early education for children with Special Educational Needs and Disability (SEND). Their existing accommodation is approaching obsolescence and their relocation, disposing of their current premises, would enable them to better meet the needs and aspirations of their service users.
- 1.3 The Council is the sole trustee of the Jeanne Saunders Centre (Penny Gobby House) Charity and has set up a separate Sub-Committee comprised of members not involved in the Strategy, Finance and Regeneration Committee to manage the Charity’s best interests.
- 1.4 The disposal of the Connaught Annex will generate a net capital receipt that will be used to support the council’s corporate capital strategy.

#### 2. Recommendations

- 2.1 That Committee agrees to the disposal of the freehold of the Connaught Annex to the Charity and that delegated powers be given to the Corporate Director City Services in consultation with the Assistant Director Legal and Democratic Services to negotiate and approve the terms for the disposal of the property and its subsequent occupation by the Council’s SEND service and to take all necessary steps to complete the transactions.

### **3. Context and background information**

- 3.1 The Connaught Road site in Hove is owned by the Brighton Metropolitan College (the MET) who granted a lease to the council on a peppercorn rent which expires in 2041. The site was historically occupied by West Hove Primary School however more recently has been occupied by the Pupil Referral Unit (PRU).
- 3.2 To the rear of the Connaught Road site is a detached building known as the Connaught Day Centre (the Connaught Annex) the freehold of which is owned by the Council and is the subject of this report. It is two storeys and is configured as a series of cellular teaching spaces extending from a central communal area. There is some recreational space externally, and it shares a pedestrian/ vehicular access rights with the main site.
- 3.3 The Connaught Annex is situated behind the Connaught Road site, to the west, with a supermarket neighboring it to the east and terraced housing to the north. It occupies a relatively secluded position, lacking visibility from the main roads, which diminishes its appeal beyond educational services. This isolated location poses a challenge in terms of attracting interest or investment from other sectors.
- 3.4 The building has most recently been occupied by Hive, an offshoot of the Hill Park School on a temporary short-term basis. Thereafter, to be surplus to requirements.
- 3.5 Through exploratory discussions, it has been proposed that the Charity acquires the Connaught Annex, relocating to it from their current building named Penny Gobby House at 31 Palmeira Avenue, Hove ("Penny Gobby House").
- 3.6 Penny Gobby House currently needs capital investment due its age, configuration and current condition. However, site limitations such as accessibility make it harder for the Charity to justify spending when seeking alternative accommodation would be a more effective use of charitable funds.
- 3.7 The Council's Urgency Sub Strategy, Finance & City Regeneration Committee (acting on behalf of the Charity) approved on 18<sup>th</sup> September 2023, the following:
  - i. [the] disposal of 31 Palmeira Avenue, Hove currently occupied by the Jeanne Saunders Centre ('Penny Gobby House') Charity,
  - ii. take all steps necessary to progress and complete the disposal of 31 Palmeira Avenue, Hove on behalf of the Charity,
  - iii. Agreed the purchase of the Annex at Connaught Road by the Charity.

- 3.8 A joint valuation has been commissioned and an independent surveyor has determined a Market Value of £800,000 for the Connaught Annex which is the proposed purchase price to be transferred.

#### **4. Analysis and consideration of options**

- 4.1 After thorough consideration of various options, taking into account their respective economic, social, and environmental impacts on the city, it is apparent that selling the building to the Charity emerges as the most suitable choice.

A breakdown of the options is set out below:

##### Retention of Connaught Annex:

- 4.2 An alternative is for the council to retain control over the site. While this option offers the potential for utilising the space as valuable temporary educational accommodation in the future, it also entails significant responsibilities for the council. Additionally, although leasing the space commercially is a possibility (subject to Secretary of State consent), market demand may be limited, resulting in prolonged marketing efforts and intermittent occupation. The scope for usage outside of educational services will be constrained by the established use class, location and shared access with the main Connaught site. This scenario could become financially burdensome for the council over the medium to long term, presenting a significant challenge. Therefore, while retaining control over the site offers some advantages, it also comes with notable drawbacks and potential financial risks.

##### Market Disposal:

- 4.3 Selling the Connaught Annex on the open market presents a viable avenue, notwithstanding the array of challenges it entails. Its physical constraints such as its proximity to the main school, prominence and potential lack of planning permissions might dampen its attractiveness to potential buyers. It is probable that only educational institutions would express genuine interest in the property. However, this market segment is limited, potentially leading to an extended marketing effort to pinpoint a suitable buyer. Yet, there's no assurance of securing such a buyer despite concerted efforts.

##### Sell to the Charity:

- 4.4 Selling the property to the Charity offers immediate advantages. The Charity is acquainted with the location and has proposals to utilise the proceeds from selling their current property to transfer, protect and enhance the Charity's objects. Choosing this option provides immediate benefits, sidestepping protracted marketing efforts and related uncertainties. The intention is that the SEND service will be relocated to this building, ensuring minimal disruption to educational services which guarantees that children allocated places for September 2024 will continue to receive the necessary provisions. It is expected that works that will enable the building to be suitable will be required prior to formal occupation. This option to sell the premises to the Charity would secure a buyer that will continue to maintain the building in the long term and support the local community. However, the

specific terms (eg maintenance and overhead costs) by which the Council's SEND service will occupy the Connaught Annex after completion of the disposal will need to be agreed under delegated authority by the Council with the Charity.

- 4.5 Opting to sell the property to the Charity emerges as not only the more pragmatic choice but it also aligns with the council's Special Educational Needs and Disability (SEND) Strategy for 2021-2026. This decision would not only offer immediate advantages but also contribute to the overarching goals of supporting educational initiatives and fostering community welfare.

## **5. Community engagement and consultation**

- 5.1 Community engagement or consultation is not required for a commercial disposal of a vacant property.

## **6. Conclusion**

- 6.1 If this transfer moves forward, the council would be able to relocate a SEND facility to more suitable accommodation meeting a commitment to its overriding SEND strategy. This relocation would not only enhance the quality of services provided but also generate a net capital receipt support the council's corporate capital strategy.

## **7. Financial implications**

- 7.1 The disposal of Connaught Annex will yield a net capital receipt, which will support the council's corporate capital investment strategy. Any costs associated with the disposal of the set will be netted off from the final receipt.
- 7.2 The proposed sale price has been established through an independent joint valuation at a Market Value of £800,000. This valuation represents the best consideration for the property, reflecting a fair market value agreed upon by both parties.

Name of finance officer consulted: Rob Allen  
Date consulted (12/04/2024)

## **8. Legal implications**

- 8.1 The Council has power to dispose of non-housing land under section 123 Local Government Act 1972 which requires the council to obtain the best consideration reasonably obtainable. In proceeding with the disposal the Corporate Director City Services in consultation with the Assistant Director Legal and Democratic Services will need to be satisfied that the disposal meets the requirements of section 123 Local Government Act 1972.
- 8.2 A disposal of education land requires Secretary of State consent under section 77 of the School Standards and Framework Act 1998 ("SSFA 1998")

so prior to the disposal the Council will need to ensure that this is in place, if necessary.

- 8.3 Given that Brighton & Hove City Council serves as both the seller and the sole trustee of the Penny Gobby House Charity (the acquiring entity), it's been imperative to put in place protocols to prevent any perceived departure from market norms and manage the potential conflict of interest.
- 8.4 To execute this, the Council will continue to engage Orbis for legal counsel and contract preparation for the disposal of the Connaught Annex. Moreover, the Council as sole trustee to the Charity will engage external solicitors to both deal with the disposal of the Charity's own property at Penny Gobby House / Palmeira Avenue and the acquisition of the Connaught Annex. These external solicitors will be selected through a formal tendering process. This approach fosters transparency and fairness in the transaction, mitigating any concerns regarding undue influence or bias.

Name of lawyer consulted: Siobhan Fry  
Date consulted (16/04/24):

## **9. Equalities implications**

- 9.1 The council's commitment to children and young people with Special Educational Needs is outlined in the Brighton & Hove Special Educational Needs and Disability (SEND) Strategy 2021-2026. The overarching goal is to enrich the outcomes and opportunities of young individuals across the city, empowering them to achieve their full potential and lead fulfilling lives.
- 9.2 The Penny Gobby House Charity operates as an exceptional specialist nursery catering to young children with SEND, offering a unique split-curriculum approach. This model allows children to access both mainstream education and specialized support provided by the Charity.
- 9.3 Early identification and support of needs in nursery settings significantly increase the likelihood of children transitioning to mainstream schools rather than opting for a special school path. Through timely interventions, tailored provisions can be implemented to facilitate mainstream school placements. For those requiring specialized support, Education Health and Care Plans (EHCPs) can be established to ensure their needs are met through specialized education pathways.
- 9.4 The building, Penny Gobby House faces challenges in providing adequate disability access which poses difficulties in meeting legislative requirements regarding disability equality. Transitioning to the Connaught Annex would address these accessibility issues and facilitate compliance with disability equality regulations.

## **10. Sustainability implications**

- 10.1 The building, Penny Gobby House has long faced difficulties concerning its suitability for young children with mobility needs. Originally a converted residential building spanning four floors, its absence of a lift and numerous stairs present considerable obstacles.
- 10.2 The Annex at Connaught Road emerges as a promising alternative, providing ample space for the expansion and improvement of services, thus accommodating larger groups of young people in need. Additionally, the layout of the Annex lends itself to meeting legislative requirements, allowing for the creation of an environment tailored to the specific needs of the children.
- 10.3 This combination of accessibility and functionality benefits provides a sustainable method to significantly enhance the quality of care and support provided to these vulnerable individuals in the longer term.

## **Supporting Documentation**

### **1. Appendices**

- 1) The Connaught Annex, Hove – Title Plan