

Subject:	Patcham Place		
Date of Meeting:	9 June 2011		
Report of:	Strategic Director Resources		
Contact Officer:	Name:	Angela Dymott	Tel: 26-1450
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Key Decision:	Yes	Forward Plan No: CAB22908	
Wards Affected:	Patcham		

FOR GENERAL RELEASE**1. SUMMARY AND POLICY CONTEXT:**

- 1.1 Patcham Place had been occupied by the Youth Hostel Association (YHA) for nearly 70 years until they vacated in October 2007. The council has looked at a number of alternative options for the buildings, including using it for council services and for the South Downs National Park offices. It has revised its plans for the property and in compliance with our accommodation policies and corporate asset management strategies now seeks approval to market and sell the property on a long leasehold interest. This report is complemented by a report in part two of the Agenda.

2. RECOMMENDATIONS:

- 2.1 That Cabinet authorise the marketing of Patcham Place including the stable building by appointing agents for disposal by way of a long leasehold interest.
- 2.2 That Cabinet will consider a subsequent Cabinet report summarising the results of the marketing exercise and bids received and providing recommendations for disposal. The net capital receipt shall be used to support the council's corporate accommodation strategy, value for money and capital programme.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 Patcham Place was originally purchased, along with 22 acres of land in 1926 for the purpose of providing land for pleasure walks and public grounds. During the late 1920s and early 1930s the building was in a serious state of disrepair and a lease was granted to the YHA who with substantial investment repaired and refurbished the building and put it to use as a Youth Hostel. The main house is Grade II* listed. The stables are Grade II listed and are used as a parks depot. See attached plan at Appendix 1 indicating the 1.7 acre site for disposal.

- 3.2 In October 2007 the YHA's lease came to an end and they chose to vacate the property. Their customer requirements for accommodation had changed and they were unable to meet these changes at Patcham Place. The dilapidations settlement took some time to negotiate with the YHA which delayed the asset review of the building till 2009-10.
- 3.3 The building was initially considered as a potential operational building and various service options were explored to fund refurbishment and locate an appropriate service provider in the building. None have been found as the building is not ideally suitable for council services and office accommodation and will require significant investment. More recently it was viewed by the South Downs National Park Authority as a possible headquarters but they instead chose an alternative property in Midhurst. We have now reviewed our initial proposals and do not consider this to be an appropriate or suitable operational building in compliance with the council's Asset Management Strategy. Its maintenance and management would be uneconomic and inefficient given the building's age, configuration and listed status. It is therefore recommended instead that the property including the main building, stables and immediate grounds of approximately 1.7 acres (as identified on the plan at Appendix 1) is surplus to requirements and should be sold on a long leasehold interest.
- 3.4 Informal discussions with 9 local and London based agents (including auctioneers) suggested that in order to achieve the best value for the property a national marketing campaign be completed with the benefit of advice from the Planning team, inviting offers for a wide range of uses either on an unconditional basis or subject to planning. Whilst aiming to secure interest for a wide range of uses it seems that the highest value achievable could be for conversion to prestigious apartments. The property's values is dependant upon its future uses.
- 3.5 The Planning Projects Team and Conservation Team have visited the property and have prepared an informal advice note. The note provides pre-application advice to assist in the marketing of Patcham Place and advises on the key issues that are likely to be of concern to the local planning authority regarding the sensitive conversion of the building whilst respecting and enhancing the site and its historic surroundings.
- 3.6 The key thrust of the advice note is that any proposals for a change of use are likely to be considered within the context of their ability to successfully preserve the aspects of the building that contribute to its Listed status. A sensitive approach will be key to ensure its integrity and character is protected, both internally and within its unique setting.

4. CONSULTATION

- 4.1 Consultation has been carried out internally with relevant services and Property & Design to consider whether the property had potential as an operational building.
- 4.2 The Planning Projects Team and Conservation Team have both advised on planning guidance for the property.

- 4.3 Externally consultation has been carried out with the South Downs National Park.
- 4.4 Initial market advice has been obtained from agents Humberts, Graves Son & Pilcher, King Sturge, Savills, Smiths Gore, Cluttons, Lambert Smith Hampton, Fox & Sons and Oakley Commercial.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The capital receipt from the disposal of the building, less any disposal costs, would be used to support the council's corporate accommodation strategy, value for money and capital programme. The building does not currently generate any rental income, however it does incur some running costs associated with the upkeep and security of the site. These proposals are included within the Corporate Property Strategy and support the Asset Management process. The building is considered to be surplus to requirements.

Finance Officer consulted: John Timson

Date: 09/02/11

Legal Implications:

- 5.2 S123 of the Local Government Act 1972 enables the Council to dispose of this property provided that best consideration reasonably obtainable is achieved. It is not considered that any individuals Human Rights Act rights will be adversely affected by the recommendations in this report.

Lawyer Consulted: Anna MacKenzie

Date: 09/02/11

Equalities Implications:

- 5.3 There are none.

Sustainability Implications:

- 5.4 Whilst the building may suit conversion to offices it's design and grandeur is suited to an occupier whose requirement is for a headquarters or building of prominence. It is not an appropriate building to convert for the council's own operational use. Its maintenance and management would be uneconomic and inefficient given the building's age, configuration and listed status.

Crime & Disorder Implications:

- 5.5 Whilst the property is vacant it is occupied by guardians under contract to ensure it is secure and maintained.

Risk & Opportunity Management Implications:

- 5.6 The opportunity identified is to dispose of a surplus asset in return for a capital receipt. Given the current condition of the property market there is a risk that the

council will not receive an appropriate or satisfactory bid. However any decision to proceed with the disposal will be weighed up against the costs of maintaining, securing and repairing a vacant building of this size and age. There will be no obligation on the council to complete a sale if satisfactory terms are not agreed.

Corporate / Citywide Implications:

- 5.7 The proposal to sell the property complies with the council's priority to make better use of public money by disposing of assets that are surplus to requirements and achieving a capital receipt.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 To retain the building as empty would diverge from the council's priorities and property objectives set out in the council's Corporate Property Strategy and Asset Management Plan. It would also continue to place upon the council a financial responsibility to maintain, repair, secure and manage the site.
- 6.2 To refurbish the building as offices and occupy as an operational property would require substantial financial investment by the council. Given the property's age and configuration it is not best suited to this use for the council. The building would not lend itself to flexible use of space in the long term should the council's requirements change. Its ongoing maintenance would also put a budget pressure on the council. To date an appropriate service provision has not identified that would best make use of this space.
- 6.3 For the council to act as developer and refurbish and sell the properties the council would be required to provide a substantial level of finance and resources to design the refurbishment, obtain the appropriate statutory consents and complete the works. In addition it would also be required to take on an unacceptable level of risk associated with the refurbishment, the costs incurred and the ability to meet the demands of the market at a volatile and unpredictable point in the economic cycle. The council does not have the appropriate resources or experience in house to act competently on a development of this nature and the risks associated are therefore increased exponentially to outweigh any potential financial benefit, if obtainable from the development.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 The property has not been in use since the YHA vacated in 2007 and following a lengthy dilapidations settlement with the YHA whilst its use as an operational building was explored both internally and with potential partners it was not thought to be suitable for occupation by any of the council's services because of its age, configuration, listed status, costs of refurbishment and costs of maintenance. It has now been identified as a surplus asset.
- 7.2 In compliance with the council's Corporate Property Strategy & Asset Management Plan it is proposed to dispose of this surplus asset to achieve a capital receipt.

SUPPORTING DOCUMENTATION

Appendices:

1. Location Plan (for identification purposes as land to be included in the sale is to be agreed in consultation with the Conservation Team).

Documents In Members' Rooms

None

Background Documents

None

