

Joint Executive (Cabinet) Committee

Forest Heath & St Edmundsbury councils

West Suffolk
working together

Title of Report:	Use of Chief Executive's Urgency Powers	
Report No:	CAB/JT/18/043	
Report to and date:	Joint Executive (Cabinet) Committee	6 November 2018
Lead officer:	Ian Gallin Chief Executive Tel: 01284 757001 Email: ian.gallin@westsuffolk.gov.uk	
Purpose of report:	To report on the use of the Chief Executive's Urgency Powers in accordance with Forest Heath District Council's Constitution.	
Recommendation:	The Joint Executive (Cabinet) Committee is requested to <u>NOTE</u> the use of the Chief Executive's Urgency Powers in accordance with Forest Heath District Council's Constitution, as detailed within Report No: CAB/JT/18/043.	
Key Decision: (Check the appropriate box and delete all those that <u>do not</u> apply.)	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>	

1. Key issues and reasons for recommendation(s)

1.1 Use of Chief Executive's Urgency Powers

- 1.1.1 In relation to the provision of using the Chief Executive's Urgency Powers Part C (a) of the Scheme of Delegation to Officers in Part 3, Functions and Responsibilities, of the Forest Heath District Council Constitution, states that:

(a) 'Where, in his/her opinion, by reason of limitation of time or urgency, a decision is required on any matter, after such consultation as he/she considers necessary (or as is required by the Council's Budget and Policy Framework Procedure Rules in Part 4 of this Constitution), he/she shall have power to make a decision provided that any such decision shall be reported to the next meeting of the Cabinet, appropriate Committee or Council....'

1.2 Submission of Bid to Purchase Wamil Court, Mildenhall

1.2.1 Decision Taken and Reasons for the Decision

- 1.2.2 The decision was made to submit a bid of £500,089 (Five Hundred Thousand and Eighty Nine Pounds) in order to purchase the site at Wamil Court, Mildenhall owned by Suffolk County Council.
- 1.2.3 The offer figure was arrived at following a full viability appraisal of the site and reference a previous independent valuation of the site by a qualified Valuer. It is based on an assessment of what is required to deliver a residential development of 20 homes which would be fully compliant with existing planning policy. The appraisals undertaken have identified that a surplus of approximately £392,000 is achievable, representing a gross return on capital of 15%.
- 1.2.4 The viability appraisal has not accounted for risks of costs associated with asbestos removal, but according to the asbestos register for the building, asbestos is limited to insulating boards in the boiler room which is likely to cost less than £10,000 to remove.
- 1.2.5 The site was originally earmarked for development by Barley Homes as part of their original business plan. However, the site was withdrawn by Suffolk County Council an offer from another party accepted. It is understood that this offer was withdrawn and the site put on the market with a guide price of £1.2m. Due to the level of interest, the Vendor and agent took the decision to ask for best and final bids by midday on Friday 5 October 2018.
- 1.2.6 If the site was purchased at the guide price, the appraisals indicate that it not be financially viable to achieve a policy compliant scheme. The purchase, therefore, would offer the greatest opportunity for Forest Heath District Council to influence a positive and lasting legacy for the site.

1.2.7 It was recommended that Forest Heath District Council purchases and holds the site until it can be considered by Members as one of the future Barley Homes pipeline sites. This pipeline will be assessed as part of the development of the next Business Plan for Barley Homes, which will be considered in later in 2019, by the new West Suffolk Council. Should this approach not be taken forward, other options for the site will be explored.

1.2.8 It is recognised that this purchase would result in a revenue cost to the Council until the site is developed in ensuring it remains safe and secure. Due to the condition of the building and impetus to minimise holding costs, it is recommended that the existing care home be demolished and the site cleared. A budget of £98,000 would be allowed for security, demolition and clearance and maintenance of the site thereafter.

1.3 ***Alternative Options Considered***

1.3.1 The price offered has been based on development appraisals and a formal valuation of the site. Consideration was been given to submitting a higher offer figure - closer to the guide price - however this would make it very challenging to deliver a financially viable, planning policy compliant development on the site and a rate of return for a developer.

1.3.2 The option of not purchasing the site has also been considered. However, this would place future use of the site outside the Council's control and could result in a non-compliant planning application coming forward.

1.4 ***Consultation Undertaken***

1.4.1 The proposal to purchase the site has been discussed and endorsed by all Members of Forest Heath and St Edmundsbury Cabinets, the Council's Monitoring Officer and S151 Officer and the Chair of the Overview and Scrutiny Committee at Forest Heath District Council.

1.5 ***Latest Position***

1.5.1 Following a period where all the bids received were considered by the Vendor, Forest Heath District Council has been notified that the offer made was not accepted on the basis of price offered. We understand that a higher offer has been provisionally accepted, subject to contract. At this stage we are unable to confirm what the preferred bidders intended use for the site will be, but Officers will continue to monitor for any early emerging indicators.

1.5.2 It is assumed that the offer for the site that Suffolk County Council have accepted will be subject to contract and the normal due diligence process through the conveyancing period. Forest Heath District Council will continue to monitor this in the event that this deal falls through and the property comes back to market.