

Churchfields Offices, Disposal – Inclusion of public car park

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Purpose of the Report

This report provides Area East members with an overview of the disposal of the Churchfields offices. This includes the benefits of the potential incorporation of the public car park within the sale. The report compares the options for disposal and the anticipated capital receipts.

Public Interest

Preparatory work has been carried out by officers for the intended disposal of the property comprising a large office building at Churchfields, Wincanton. The capital receipt from the sale of this property may be invested in the Wincanton regeneration project. Adjoining this property is additional council owned land currently used for car parking. A large capital receipt could be achieved if the car parking land is combined with the Churchfields property for redevelopment but this would remove the local parking capacity.

Recommendations

- (1) Members are invited to note the options for disposal and the potential benefits of the inclusion of the public car park within the disposal.
- (2) Members are asked to approve a decision as to whether the public car park land should be included in the property disposal. Marketing to commence in the New Year.

Background

The decision by District Executive March 2018 endorsed the principles for Area presence as set out in the report to that meeting and agreed this would include disposal of and/or redevelopment of its then current Area Offices over the next 2 years in accordance with relevant governance and policies.

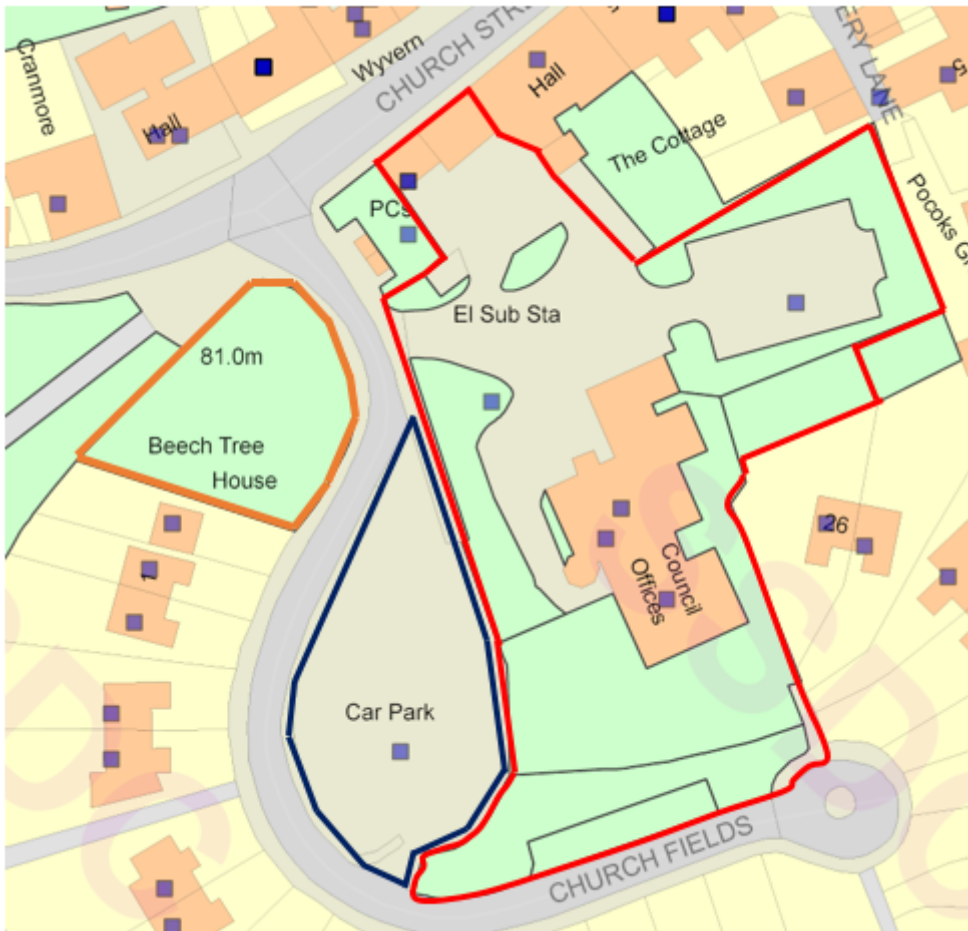
Disposal Mechanism & Inclusion of car park

During 2019 the Property Team has been preparing for marketing of the Churchfields property. Staff moves have been implemented. The building is still used for public meetings and staff touch down accommodation. Arrangements are in hand to relocate these requirements to other space in Wincanton. Tenancy arrangements have also been brought to an end so the property sale can proceed.

Property agents have been appointed ready to market the property for sale. The expectation is that the most likely purchaser of Churchfields would be a property developer, and that they would seek to convert the building to residential accommodation. The purchaser would most likely seek to build additional residential units within the upper car park area, and convert the coach house/stables.

Officers review use and ownership of Council owned assets. Fig 1 (below) shows the SSDC ownership of the Churchfields operational property coloured red (circa 1.07 Acres) Adjoining this is the SSDC owned car park coloured blue (circa 0.27 Acres). The car park provides 38 spaces.

Fig 1 – site plan



Also shown, coloured orange is amenity land owned by SSDC. (circa 0.17 Acres) The latter is includes a number of mature trees which is important to the setting of St Peter & St Paul's Church. It is considered that this land should be preserved as amenity land. It is important to note that this area of land is within the conservation area and the trees are therefore protected from unnecessary removal.

From an asset management perspective, it is appropriate to recognise that the land used as public car parking could be combined with the Churchfields property and offered for sale for redevelopment. Inclusion of the public car park would bring two main benefits to the Council:

- 1) That the inclusion of the additional land would substantially enhance the saleability of the property
- 2) That the capital receipt achieved from the sale would be significantly higher if the public car park was included.

If the car park land is to be redeveloped in the foreseeable future, the optimum point for this is in conjunction with the Churchfields property.

Informal contact between the Property Team and Wincanton Town Council regarding the public car park has highlighted a view that the increased potential capital receipt should be given weight, bearing in mind that the car park does not directly serve the town centre parking need but rather provides additional parking space for immediate local residents, many of whom already benefit from extensive off street parking.

Wincanton Town Council has agreed in principle to continue the revenue compensation scheme in place for all SSDC owned car parks in Wincanton whereby SSDC retain ownership and maintenance obligations, allowing free parking to be provided. The compensation amount was based on SSDC predicted net income, after sharing the detailed predictions on expected gross income, current maintenance costs, and predicted costs associated with charging. A new agreement is currently being negotiated between SSDC and the Town Council. If Churchfields car park is not included under the new agreement, the sum payable may be reduced by around 20%.

Conclusions

The disposal of the Churchfields offices provides us with an opportunity to generate a significant capital receipt which may become available to the Wincanton Regeneration Scheme.

Inclusion of the public car parking land would increase the contribution in terms of new housing and boost the capital sum that may be available for regeneration purposes. It would reduce the amount of parking for existing immediate local residents. The Property Team are therefore keen to commence marketing activities early in the New Year to minimise liabilities to SSDC from the vacant property.

The Property Team support the inclusion of the car park land for commercial reasons, however we do recognise that the loss of 38 parking spaces will have an impact at a local level.

Members are invited to debate the merits of the inclusion of the car park land within the sale and formulate a decision to allow marketing of the property to commence.

Financial Implications

The inclusion of the additional land within the Churchfields disposal would increase the value of the capital receipt by circa £250,000. This enhanced capital receipt may be made available for the Wincanton regeneration project.

The removal of the car park from the Wincanton portfolio has two financial implications:

- i) A reduction in business rates and maintenance & repair liabilities
- ii) A modest reduction in the compensation payment received from the Town Council, which would be circa 20% of the overall annual payment.

On balance the net revenue position is expected to be neutral, reflecting the changing dynamics of the car park portfolio.

For information the current compensation received from the Town Council is circa £25,000, and the likely reduction would be in the region of £5,000. As the compensation arrangements are currently being renegotiated these figures are included as a guide only.

Council Plan Implications

This project links to the Council plan under the heading of 'Protecting Core Services'. To ensure a modern, efficient and effective council that delivers for its communities, we will:

- Provide high quality cost effective services and transform customer services through technology.
- Take a more commercial approach to become self-sufficient financially.
- Develop a more cohesive and ambitious, economically efficient organisation.

Carbon Emissions and Climate Change Implications

No implications are identified as a result of the recommendations in this report.

Equality and Diversity Implications

No implications are identified as a result of the recommendations in this report.

Background Papers

District Executive March 2018 – disposal of Area Offices.
