

Decision Report – Executive Member Non-Key Decision



Forward Plan Reference: N/A

Decision Date – 6th November 2023

Key Decision – No

Disposal of the Seahorse Centre, Minehead

Executive Member(s): Cllr. Ros Wyke – Lead Member for Economic Development, Planning and Assets

Local Member(s) and Division: Cllr Mandy Chilcott and Cllr Andy Hadley (Minehead)

Lead Officer: Oliver Woodhams – Service Director, Strategic Asset Management

Summary / Background

1. This Member Non-Key Decision is required to enable the disposal of the Council's interest in the surplus asset known as The Seahorse Centre, Minehead which can be found edged in red on the attached plan (Appendix 1)
2. The estimated capital receipt for this asset is listed within Confidential Appendix 2.

Recommendations

3. That the Lead Member for Economic Development, Planning and Assets

- 1) Authorises the Commercial Property Investment Specialist in consultation with the Somerset Council Legal Services to complete a Freehold sale and partial leaseback (measuring 155m²) of the surplus property known as Seahorse Centre, Minehead. This property is situated on a 0.68-acre site, located on the outskirts of Minehead as shown on the attached the site plan outlined in red in Appendix 1, which is attached to this report.
- 2) Agrees the disposal for a capital receipt as outlined in the confidential Appendix 2, which is regarded as exempt information and to be treated in confidence, as the case for the public interest in maintaining the exemption outweighs the public interest in disclosing that information.

Reasons for recommendations

4. The disposal of this asset will generate a capital receipt and holding revenue costs will be reduced. This will further evidence of Somerset Council commitment to

delivering a wide spectrum of Public Services to the residents of West Somerset and supports the collaborative principles of One Public Estate asset management

5. Somerset Council currently owns the Seahorse Centre site and is in negotiation with the Avon and Somerset Police Authority who wish to acquire the building. The proposal is that the premises would house an enquiry office, the neighbourhood team and provide touchdown desks for response officers. The intention is for the Police Authority to lease back part of the building back to Somerset Council as a satellite academy linked to the Somerset Training Academy for Health and Social Care project, funded through the successful Levelling Up Fund (LUF) bid. Establishing a satellite academy in Minehead will help tackle issues with a shortage of care facilities and workforce in a deprived rural area with an ageing population.
6. The Council is committed to evaluation of and, where appropriate and practicable, rationalisation of its surplus property and land portfolio to reduce costs and to achieve capital receipts. The holding was declared surplus as there is no immediate or projected future operational need to deliver services from it. Therefore, in line with the published Policy for Disposal of Property Assets (2014), disposal of the holding is considered the most appropriate option and will generate a capital receipt for the Authority. The capital receipts from this sale will contribute towards the financing of the Council's 2023/24 capital budgets as anticipated in the Medium-Term Financial Plan, with any surplus being held in reserve for future potential investment.
7. Whilst the property remains the responsibility of Somerset Council, expenditure is being incurred to keep the holding secure and safe. The disposal of the property will remove the liability from the Council.
8. The accompanying Appendix 2 contains commercially sensitive information relating to the Council's financial and business affairs. Officers therefore recommend that this is treated as exempt information. "Exempt information" is defined by Section 100 of the Local Government Act 1972, by Schedule 12A to that Act.
9. The legal work to progress the disposal of the property will be conducted by the Council's in-house Legal Services who will draft the necessary legal documentation for the proposed disposal and partial leaseback will provide legal advice and support to ensure that the Council's interests in respect of the same are protected.

Other Options Considered

10. The option of retaining the property has been considered by the Asset Management Group on the 28th of July 2023, however the retention was not supported due to the Council not having a future operational business

requirement and use for of the building. Leasing the property out to third party tenants has also been considered not to be viable, as this would require further investment to improve the condition of the buildings and surrounding areas to achieve a suitable standard for letting.

11. The Estates team engaged with services to assess whether there is a requirement for the property to enable the support of statutory services. In this case, it has been deemed that no internal need can be identified.

Links to Council Plan and Medium-Term Financial Plan

12. The proposed sales contribute towards the Council's 2023/4 MTFP target for capital receipts in order to support the delivery of the Somerset Council Plan 2023-2027 priorities.

Consultations and co-production

13. The Asset Management Group has been informed of the programme of disposals of Council assets and applications for planning consents.
14. The Estates Team engage with services to assess whether there is a need for the property to support statutory services. In this case, no internal need has been identified.
15. The local members for this decision have been consulted on this disposal before this decision is taken.

Financial and Risk Implications

16. Subject to the successful conclusion of the sale, the proposed disposal will achieve a capital receipt for the Council, the full value of which can be found in Confidential Appendix 2. It is the opinion of the Councils' valuers that this represents good value for the site.
17. Any Somerset Council costs which relate to the disposal will be funded from the capital receipt, up to a capped maximum of 4% of the sale value. Should costs exceed this value then any value exceeding this amount will be met from Property's operational revenue budget. A notional allowance is budgeted for each year in order to cover this eventuality.

A risk in all property transactions is that the sale may not progress as quickly as the Council expects after the decision is signed, due to (for example) negotiations with the purchasers, formality of completing paperwork and change of buyer circumstances. If this were to happen, it would most likely be due to factors outside of the Council's control.

Likelihood	2	Impact	3	Risk Score	6
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Legal Implications

18. The legal work to progress the disposal of the property will be conducted through the Council's in-house Legal Services team who will draft the necessary legal documentation for the proposed disposal and will provide legal advice and support to ensure that the Council's interests in respect of the same are protected.

HR Implications

19. There are no specific HR implications relating to the disposal of this property.

Other Implications

Equalities Implications

20. Having had due regard to the Public Sector Equality Duty, we do not foresee a disproportionate positive or negative impact from this decision.

Community Safety Implications

21. While awaiting sale, this site has remained largely vacant with a low staff presence. The site has been the site of vandalism and other anti-social behaviour in this timeframe, which Property have been working to mitigate. While it remains largely unoccupied the risk of anti-social behaviour at the property remains, and the sale and potential redevelopment of the site would remove this risk.

Climate Change and Sustainability Implications

22. In February 2020 the former Somerset County Council and the four Somerset District Councils declared a climate emergency and subsequently published a climate emergency strategy in November of that year.

Somerset Council is working towards a Carbon Neutral Somerset by 2030 and to build our resilience for, or adapting to, the impacts of a changing climate.

To enable the Council to hit the Carbon Neutral target, we are committed towards the decarbonisation of the Local Authority estate, assets, and operations across Somerset, reducing our overall carbon footprint in the short term.

Goal 1A of this strategy was to decarbonise the Council estates and disposing of properties where decarbonisation is impossible or impractical due to the age and condition of the buildings helps to meet this strategy, as the limited funding for decarbonisation can be focused on operational properties.

Health and Safety Implications

23. As detailed within Community Safety Implications this site is currently subject to significant antisocial behaviour, which the Council are continuing to work to

mitigate, therefore the disposal of this vacant asset will remove the Council's liabilities, requirements, and expenditure.

Health and Wellbeing Implications

- 24.** There are no health and wellbeing implications associated with the decision to sell this property.

Social Value

- 25.** There are no Social Value implications associated with the decision to sell this property.

Scrutiny comments / recommendations:

- 26.** The proposed decision has not been considered by a Scrutiny Committee.

Background

- 27.** In recent years, the Seahorse Centre has been leased to Discovery/Dimensions, with the site being used to provide day services for adults with disabilities, alongside a rehabilitation centre. This property was handed back to Somerset County Council in September 2021 as the property was no longer required by Discovery/Dimensions for the delivery of the aforementioned services. This property has therefore been declared surplus by Somerset Council and no immediate or projected future operational need to deliver services from it identified.
- 28.** Avon and Somerset Police had expressed strong interest in acquiring the site as they require a Neighbourhood Police Station and they have previously struggled to find a suitably located site. The Seahorse Centre (once repurposed) site meets the Operational and Employers Requirements of the Police.
- 29.** Somerset Council's Estates Team were aware that a Levelling Up Fund bid was submitted to the government, with a view to developing a Health and Social Care Training Academy which would be situated at the former Bridgwater Hospital, with a satellite facility in Minehead. Whilst the bid was being finalised for submission, the potential interest from the police was also arising but not firm or formalised. It was agreed to proceed with the bid whilst discussions progressed and to revisit in light of the outcome of the bid and whether the police interest came to anything. This bid was successful, which has necessitated a lease back of part of the proposed Police premises to retain the wider grant funding package.
- 30.** Both the proposed Police and Academy demises have been agreed by both parties.

All stakeholders have had to compromise to deliver the capital receipt, retain Police presence in Minehead and meet the health and care system requirement to deliver care training from the Minehead satellite location.

Asset Management Group have been kept informed of the programme of disposals of Council assets and applications for planning consents, including the intention to dispose of this particular asset. The Commercial Investment Specialist Team will consult the Lead Member for Economic Development, Planning and Assets on the intention to dispose of this property.

Background Papers

Property Asset Management Strategy and Plan

<https://www.somerset.gov.uk/finance-performance-and-legal/land-and-property/#Corporate%20Property%20-%20Asset%20Management%20Plan>

Appendices

Appendix 1 -Site Plan of the Seahorse Centre, Minehead

Confidential Appendix 2 – Key Commercial Terms

Report Sign-Off

	Officer Name	Date Completed
Legal & Governance Implications	David Clark	02/10/2023
Communications	Peter Elliott	29/09/2023
Finance & Procurement	Nicola Hix	02/10/2023
Workforce	Alyn Jones	13/10/2023
Asset Management	Oliver Woodhams	29/09/2023
Executive Director / Senior Manager	Jason Vaughan	11/10/2023
Strategy & Performance	Alyn Jones	13/10/2023
Executive Lead Member	Cllr Ros Wyke – Lead Member for Economic Development, Planning and Assets	13/10/2023
Consulted:	Councillor Name	
Local Division Members	Cllr Mandy Chilcott and Cllr Andy Hadley	17/10/2023
Informed:		
Opposition Spokesperson	Cllr Mark Healey for Prosperity, Assets and Development	24/10/2023
Scrutiny Chair	Cllr Bob Filmer – Scrutiny Committee – Corporate & Resources	24/10/2023