

**Wiltshire Police and Crime Commissioner
Record of Decision**

Decision Detail	Disposal of property - The sale of Marlborough Police station.
Business Area	Estates
Decision No:	037-2024
Date	10/05/2024
Protection marker	Official

Executive Summary

The OPCC/ Wiltshire Police Estates Strategy identified the Marlborough station was too large for the current policing model. Work was undertaken to provide an enquiry office in Marlborough and went live October 2019.

The Station on George Lane has remained vacant ever since. The PCC has agreed therefore that the property should be disposed of at best value.

Between the 6 March 2024 and 3 April 2024 four purchase offers were received. It was agreed we should request Best and Final Offers from all 4 bidders by the 7 April 2024. The outcome, McCarthy Stone's offer was significantly higher than the others.

Decision:

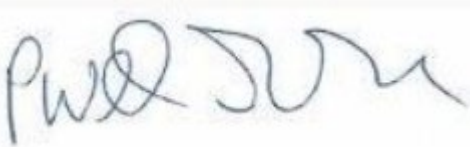
The Commissioner is asked to authorise the sale of redundant Marlborough Police station.

Implications

Please read appendix A in regard to this supporting information

Has considerations been taken following:	Yes	No
Financial	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Legal	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Equality and Diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Sustainability	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Risk	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Additional comments		

Police and Crime commissioner comments	
I have read the documents, and I confirm the decision to proceed as recommended.	
Signed:	Date: 10/04/2024
	

Financial Implications: (Must include comments of the PCC’s Chief Finance Officer where the decision has financial implications)
Comments: Disposal of any asset is primarily the balancing of capital receipt timescales, associated costs versus securing the best possible level of receipt and opportunity cost of disposal or not. For estates this is particularly important against the entire portfolio for acquisitions and disposals of PCC assets.


Legal Implications: (Must include comments of the Monitoring Officer where the decision has legal implication)
Comments: Open and public sale process with best and final offer. The highest offer was selected with conditions.

Equality and Diversity Implications
Comments: No implications.

Sustainability Implications
Comments: The future use of the site will be in line with various planning conditions and environmental sustainability requirements.

Risk Management
Comments: If we decide to hold on to the asset longer to obtain a better price five key risks have been identified which may result in lower net income for the PCC. The property has already been the subject of damage/theft with Roof Tiles stolen in January 2023.

Planned sale to support capital plan.

Monitoring Officer Approval	
No additional comments	
Signed: 	Dated: 10/04/2024

Public Access to Information: APPENDIX A	
Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the Commissioner’s website within 2 working days of approval. Any facts / advice / recommendations that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form.	
Is there a Part 2 form?	
If yes, for what reason: Disclosure of information in Part 2 Commercial sensitivity and may be a breach of terms of the Contract	

Appendix A

Date	April 2024
Report Title	Disposal of Marlborough George Lane
Report presented by	ACO Clive Barker
Author	ACO Clive Barker

PURPOSE OF REPORT

1. This paper updates the PCC on the latest position surrounding the disposal of the ex-Police Station at Marlborough George Lane and recommends disposal.

BACKGROUND

2. The estates strategy identified that the station in George Lane was too large for the current policing model. The need in Marlborough was identified as a touchdown point with an enquiry office. Work has been undertaken and this is now provided via Corner House, a property rented from the council in the corner of a large public car park in Marlborough. This went live October 2019 and since then the George Lane site has remained vacant. The PCC has agreed therefore that the property should be disposed of at best value.
3. The George Lane site is in a desired location in the town. As part of the disposal process for all PCC estates, the CFO and CEO have sought professional advice from our specialist strategic property advisors (BNP Paribas). To optimise the George Street sale price work has been undertaken to obtain planning on the site. Outline planning permission was obtained on 8 April 2022.
4. On 15 September 2022 6 bids were received for the site. All bids have certain nuances to them so were passed to BNP Paribas for evaluation. In November 2022 the PCC received a paper providing options on disposal. In this paper he was asked to consider his appetite for risk. The PCC agreed to remove the majority of the risk from the sale and accept the unconditional offer from McCarthy Stone at £2.1m.
5. In December 2022 an email was received from McCarthy Stone stating that due to market conditions (increased interest rates, less market demand, increased construction costs) they were not able to proceed on this basis. Whilst they were encouraged to return to their initial bid they responded formally on the 13 January 2023 saying that their best unconditional bid was now £1.8m.
6. In October 2023 McCarthy Stone decided that with changing market conditions and increases in material costs that they could no longer proceed with the purchase. Based on this it was decided that the property should be remarketed.

NEW OFFERS

7. On 6 March 2024 3 initial offers were received from Bridgewood, Churchill and Hatchbury. On 3 April 2024 an offer was also received from McCarthy Stone. For transparency it was agreed with the Chief Executive that we should request Best and Final Offers from all 4 bidders by the 7 April 2024. The outcome is shown below;

Contractor	Offer	Information
McCarthy Stone	£2.300m	Subject to planning, conditional contract
Bridgewood	£0.527m	Subject to contract
Churchill	£1.350m	Subject to planning contract
Hatchbury	£1.100m	Subject to a reserved matters contract

8. The McCarthy Stone offer is significantly higher than the others. There is concern based on previous actions that they will not proceed with the PCC left with fees and no receipt.
9. McCarthy Stone are aware of our concerns and as such have provided significant detail on their proposal and have included the following statements to BNP;

We appreciate that your client may be hesitant to revisit a deal with McCarthy Stone due to the abortive negotiations in 2023, however we would like to stress that this new offer has been submitted with the full awareness of this situation. Therefore, it has full support from the Regional Board and a greater amount of due diligence has been undertaken by the team at McCarthy Stone to ensure that the offer is fully supported, with the planning strategy wholly endorsed for best chances of success. Part of this confidence has come from their prior knowledge of the site, including their pre-application, which will aid them in both their legal due diligence and planning negotiations.

I can confirm that the team at McCarthy Stone have utmost confident that their planning strategy will succeed. They are happy to discuss this with you, your internal planning team, and/or your client, as their strategy and due diligence up to this point is certainly demonstrable.

McCarthy Stone have a strong appetite for sites in the second half of this year, and therefore they would aim to exchange contracts with your client within 6 weeks of instruction of solicitors. Below is a timescale for exchange on the assumption of agreeing terms within this week:

*Instruction of solicitors – 8th April 2024
Stage 1 Consultants Meeting – w/c 15th April
Board Approval & Exchange – w/c 20th May*

We would suggest weekly legal calls with all parties to ensure the contract is agreed as quickly as possible and our board approval would run in line with this process. As mentioned above our Regional Board have been actively involved in this revised offer for the site which will aid our Board Approval process.

Proposed Planning Strategy

Our strategy will be to submit the attached 30 unit scheme to the local authority and to work with the planning officer throughout the course of the 13 week determination deadline to gain local level support. If for any reason we are unable to gain local support or it appears there will be significant delays in working towards a local level approval, our strategy would be to move to Appeal as quickly as is reasonable, based on the support of our Appeal Team and planning barrister.

This is our current proposed strategy and if for any reason politically the vendor would like to amend this strategy, we are open to discussing this at the next stage but hopefully this shows our scheme is deliverable and we have a clear strategy for achieving planning consent as efficiently as possible.”

10. This timeline was produced in advance of us deciding we would request Best and Final Offers, hence the timescales will need revision.

CONSIDERATIONS

11. Whilst McCarthy Stone did not follow through on the previous sale they do have history of delivering at Warminster and Chippenham, this required them to successfully obtain planning permission from Wiltshire Council.
12. The PCC could decide not to progress with the sale and see if market conditions improve and values increase. There however is no sign that this will occur and in the meantime planning constraints are increasing, making it more difficult and costly to undertake developments. We are also incurring costs on the empty property, during 2023-24 costs totalled £0.063m with £0.039m due to rates.
13. It is therefore considered that the disposing of the site as quickly as possible seems the best approach. With McCarthy Stone now providing a reasonable offer and a good supporting statement it is recommended that the offer of £2.3m is accepted, this is also the recommendation of our professional advisors BNP.

RISK ASSESSMENT

14. Disposal of any asset is primarily the balancing of capital receipt timescales, associated costs versus securing the best possible level of receipt and opportunity cost of disposal or not. For estates this is particularly important against the entire portfolio for acquisitions and disposals of PCC assets.
15. If we decide to hold on to the asset longer to obtain a better price the following risks have been identified which may result in lower net income for the PCC;
 - Planning may change and less development allowed
 - Planning may take longer leading to the PCC incurring more costs
 - Market demand may fall leading to another remarketing of the site
 - Increased construction costs with inflation reducing developers profits
 - Damage to the property making the asset value lower
16. The property has already been the subject of damage/theft with Roof Tiles stolen in January 2023.
17. It should be noted that there is an increased need for capital receipts to deliver the capital plan. In the absence of these, plans will have to be reduced or more borrowing taken out.

ENVIRONMENTAL IMPACT

18. The future use of the site will be in line with various planning conditions and environmental sustainability requirements. Disposal of this site will remove it from the carbon footprint of the estate.

RECCOMENDATIONS

19. It is recommended that offer of £2.3m from McCarthy Stone is accepted and the property disposed of in line with the Estates Strategy.