

## Slough Borough Council

<b>Report To:</b>	<b>Cabinet</b>
<b>Date:</b>	21 October 2024
<b>Subject:</b>	Disposal of the Council's land at the Haymill site (land off Littlebrook Avenue, Slough) SL1 6LZ.
<b>Lead Member:</b>	Cllr Chahal – Deputy Leader and Cabinet Member for Financial Oversight, Council Assets, Procurement and Revenue & Benefits
<b>Chief Officer:</b>	Pat Hayes – Executive Director (Regeneration, Housing and Environment)
<b>Contact Officer:</b>	Peter Hopkins –Director - Property and Assets
<b>Ward(s):</b>	Haymill & Lynch Hill
<b>Key Decision:</b>	YES
<b>Exempt:</b>	NO - Public with exempt appendices under paragraph 3 of Schedule 12A Local Government Act 1972 – Information relating to the financial or business affairs of the Council
<b>Decision Subject To Call In:</b>	YES
<b>Appendices:</b>	Confidential Appendix 1 – Draft Formal Site Development Plan Confidential Appendix 2 – Commercial & Financial Summary Confidential Appendix 3 – Valuation Report Confidential Appendix 4 – Sale Heads of Terms Confidential Appendix 5 – Asset Appraisal & Disposal Framework Calculations

### 1 Summary and Recommendations

- 1.1 This report sets out recommendations associated with the disposal of the Council's land at the Haymill site; land off Littlebrook Avenue, Slough, SL1 6LZ. The report was considered by the Cabinet Committee on 17<sup>th</sup> October 2024 and it was agreed to make the recommendations to Cabinet as at paragraph 1.3 of the report.
- 1.2 The proposed sale has been subject to a due diligence process and reflects best consideration reasonably obtainable for the disposal of assets in accordance with section 123 of the Local Government Act 1972, and as verified by an independent valuation report prepared by Haslams professional surveyors.

#### Recommendations:

- 1.3 That the following recommendations of the Cabinet Committee be agreed:

- a) Approve the Draft Formal Site Development Plan at Appendix 1 and agree the disposal of the Haymill site in accordance with the Sale Heads of Terms at Appendix 4.
- b) Delegate authority to the Executive Director of Regeneration, Housing and Environment, in consultation with the Lead Member for Financial Oversight and Council Assets and the Executive Director of Finance and Commercial to (i) approve the final form of the Draft Formal Site Development Plan that is presented to the SUR Business Board; and (ii) to approve the final terms of the documentation required to give effect to the Draft Formal Site Development Plan (iii) approve any amendments required to any boundary structure, fence line or footprint including the granting or reserving of any rights required to facilitate the expansion of the adjoining Haybrook College.

**Reason:**

- 1.4 The disposal of the Council's land at Haymill is in accordance with the Haymill Disposals Strategy agreed by the Cabinet on 18<sup>th</sup> September 2023. Agreement to the recommendations in this report will contribute to reduction in the Council's future financial commitments, generate a disposal receipt at the earliest opportunity and reduce Council borrowing requirements. The proposed land sale has been subject to due diligence, and reflects best value and consideration reasonably obtainable for disposal of assets in accordance with section 123 of the Local Government Act 1972.
- 1.5 The disposal supports the corporate priority for "a Council that lives within its means, balances the budget and delivers best value for taxpayers and service users."
- 1.6 Disposal of the land will enable the Council to simplify and reduce its land portfolio holdings and corporate arrangements; including progress towards winding up SUR to enable the Council to focus on core activities and services.

**Commissioner Review**

The asset disposal programme is of significant importance to the Council's financial recovery, and an integral part of the approved financial strategy and 'minded to' Capitalisation Direction.

The Council should ensure that the approved governance process for the consideration for the retention or disposal of any Council owned assets has been adhered to. Disposals should be on commercial terms, subject to legal and financial due diligence and demonstrably evidence that the potential disposal is for best consideration reasonably obtainable. The Council in making its decision should specifically consider any capital and potential long term revenue implications.

Commissioners are content for this report to be considered.

## 2 Report

### Introduction to Slough Urban Renewal (SUR)

- 2.1 The Council established in 2013 the SUR joint venture (JV) with Community Solutions for Regeneration (Slough) (CSRS) Ltd<sup>1</sup> to deliver development schemes. The JV is underpinned by a Partnership Agreement (PA) setting out key operational and governance arrangements and the mechanism to facilitate site disposals.
- 2.2 The PA states that SUR should produce Site Development Plans (SDPs) for each development site, requiring approval from SUR Board and partner approvals from each of CSRS and the Council. SDPs are approved by Cabinet as required, and Cabinet also approves the SUR five - year business plan<sup>2</sup> with the most recent SUR plan approved by Cabinet on 18th September 2023 (Minute 38).
- 2.3 Schedule 9 of the PA sets out information to be included in each SDP, based on a two - phased approach:
- *Draft/Approved Indicative SDP*<sup>3</sup> – this document is prepared by SUR at the start of a development scheme, to set out site proposals and seek partner approval of development strategy, indicative budgets and project plans. The SDP is “draft” until approved by all (being the Council and CSRS); and
  - *Draft/Adopted Formal SDP* – this document is prepared by SUR at the end of a disposal/appointment of a developer, to seek partner formal approval to costs and financing arrangements and legal documentation.
- 2.4 Council sites were opted to SUR, most of which have either been developed or sold for development by a third party. e.g. Montem Lane site was acquired by Bellway in August 2023.
- 2.5 The PA also provides for SUR to dispose of sites using the “On-Sale Site” mechanism without SUR procuring their development, and so without the Council and CSRS taking development risk. The On-Sale Site mechanism was used for the Montem Lane disposal and is to be used for other SUR - opted sites including Haymill.
- 2.6 The operating and financing model for SUR, as set out in the PA, is based on pre - development/work in progress (WIP) costs financed by CSRS by way of loan notes, which are then repayable by the JV from development profits or disposal receipts. This financing approach has been used for most of the SUR - opted sites, especially those that had already incurred predevelopment costs before 2022. Haymill pre - development costs have been financed differently as set out in Section 2.
- 2.7 The PA sets out the mechanism for calculating distributions payable to each member in the event of disposal using On-Sale Site mechanism. Each JV partner receives a profit share after repayment of outstanding loans plus interest (or, in this

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1. A wholly owned subsidiary of Muse Places Ltd.

2. [Minutes Template \(slough.gov.uk\)](https://www.slough.gov.uk)

3. Confidential Appendix 1

case, pre-development funding; see paragraph 2.9 below) and the payment of a pre-planning/existing land use value.

- 2.8 The Council and SUR originally intended to develop the Haymill site within the SUR partnership. Following the Council's s114 Notice in 2021, the Council's capital programme was paused, including capital commitments for SUR opted sites. This resulted in the Council reviewing options for sites, to reduce financial commitments and realise sale receipts at the earliest opportunity.
- 2.9 In September 2023, the Cabinet agreed to proceed with a Disposal Strategy for Haymill. The SDP set out an alternative financing approach based on each member funding predevelopment costs in advance on an equal basis, rather than using loans provided by CSRS. A predevelopment budget of £300,000 was agreed for planning and transaction costs; shared equally by each member.
- 2.10 The September 2023 Cabinet also approved the pre - planning land value of £129,500 (as set out in the Draft Indicative SDP). This accords with the valuation methodology and on-sale site mechanism in the PA; and is reflected in disposal distributions set out in the confidential appendices (SDP and Commercial Finance).

The Council intends to enter a Distribution Agreement with SUR and CSRS at the same time as the Sale Contract is entered with the purchaser, to record the agreed distributions between the Council and CSRS and to set out payment mechanics in line with the terms of the PA.

- 2.11 The Approved Indicative SDP (September 2023) set out the site disposal strategy, to meet a series of member objectives as follows:
- Improved certainty of land receipt (and profit share) in the short term.
  - Enhanced ability to show best consideration and best value.
  - Minimising predevelopment costs and complex financing arrangements.
  - Equitable share value created in the site; with SUR securing planning and leading market engagement and disposal of the site; and
  - Ability to best meet wider objectives for delivery of new and affordable homes and public realm.

### **Options considered**

- 2.12 Montagu Evans, external surveyors and property specialists produced in 2021 review of the SUR Partnership and SUR - opted sites, and options were considered to reduce the Council's capital commitments and financial exposure and to realise capital receipts. This included continuing with existing partnership arrangements and investment/capital plans, enabling key sites to be sold by the Council and varying the Council's equity / participation within SUR on a site-by-site basis to realise value.
- 2.13 Following legal advice, it was agreed there were limited grounds for terminating existing arrangements and the case for continuing with existing investment plans was not viable, due to Council's costs and risks associated with that strategy.
- 2.14 The preferred option was to renegotiate the Council's relationship in each of the key sites, to reduce/remove the Council's equity position on a site-by-site basis and to move away from the 50% joint venture commitment on each site. i.e. to pursue a

site disposal strategy. Sale strategy has already been realised for the Montem Lane and North - West Quadrant sites and now adopted for Stoke Wharf.

A sale strategy approach:

- Significantly reduces Council capital commitments.
- Reduces the Council's future liabilities for abortive/work in progress (WIP) costs. Under the terms of the PA, all members are eligible for 50% of these costs, should a site not proceed to development.
- Reduces the Council's exposure to additional development risk and losses<sup>4</sup>;
- Enables a third party to develop the sites in line with the original SDPs, to deliver regeneration benefits and new homes with affordable units;
- Allows the Council to reduce debt and borrowing costs and adapt its role across key sites, with an enabling rather than development role.

2.15 Key options for the portfolio of sites are:

**Option A** – Council to retain the site and consider options for disposal, following winding up of the Partnership.

This option does not generate capital receipts in the medium term, as the Partnership is not scheduled to terminate until March 2028, and would mothball the site with no housing delivery in the medium term.

**Option B** – Terminate the Option Agreement, with the Council seeking to sell the site at the earliest opportunity (not via SUR). Based on legal advice, a termination case would be difficult to demonstrate, being a lengthy process with significant costs and uncertain outcomes.

**Option C** – Restructure the Council's participation in the site such that CSRS develop the scheme and the Council's land value is secured at the earliest opportunity with reduced or no equity. This option has been actively considered and explored although the Council's receipt would be substantially reduced. CSRS do not wish to pursue this option, rendering it undeliverable.

**Option D** – Dispose of the site now, utilising the SUR On-Site Sale Mechanism, to produce a capital receipt for the Council in 2024 plus MRP saving. This option is quick and simple to achieve (with buy-in from both members), obtaining earlier receipts for the Council and greater receipts compared to Option C.

**Option D is recommended** to Cabinet for approval and consistent with the Cabinet approval in September 2023.

## The Haymill Site

2.16 The land has been in Council ownership for many years and was formerly used as a Community use site shared with by Haybrook College Trust until 2013.,. The Trust is an academy that has relocated to the northern part of the whole site, it is an Alternative Provision school that also caters for pupils with Social Emotional and Mental Health needs aged 11 to 18 . All buildings on the southern (Haymill) part of the site were demolished by the Council in late 2015. The land identified for disposal has been

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agreed to enable the site strategy to progress. The Haymill site has been temporarily used by Community Transport (CT) vehicles and for eleven containers for storage purposes. The CT uses are due to be relocated by 1<sup>st</sup> September 2024, and the storage containers by no later than the end of September, to agreed alternative locations; at an estimated total cost of up to circa £45,000.

2.17 The “Haymill Condition”: SUR’s ability to drawdown the site is subject to the Haymill Condition in the SSOA, being “the obtaining by the Council of all statutory consents required to allow the Council to use or dispose of the site free of the requirement to use it for educational purposes”. Legal advice was received by SBC in March 2022 that in accordance with the Academies Act 2010 and the School Standards and Framework Act 1998, the site would be unencumbered at a period of ten years after its last use for educational purposes. Therefore, the earliest date for the Council to satisfy the Haymill Condition would be April, 2024.

2.18 The land is a brownfield plot located between Littlebrook Avenue and Burnham Lane on the Western side of Slough, close to local amenities and surrounded on three sides by residential neighbourhoods. There is pedestrian and emergency access to the site via Burnham Lane, that is shared with Haybrook College, but main access to the consented development will be from Littlebrook Avenue.

2.19 The Council’s land comprises areas of hard standing with no buildings or permanent structures on the site for disposal. The proposed net useable area for redevelopment and disposal is approximately 0.89 hectare (2.2 acres). There are no Tree Preservation Orders on the site. The northern and western boundary fencing was replaced in early 2024 by SBC to reflect the precise land for disposal, and demarcation of these two boundaries agreed then with the Council.

2.20 The Council granted SUR an Option in March 2013 over the Haymill site and other land adjoining the Haymill site. The land has been vacant (apart from the current, temporary uses) for at least ten years.

2.21 The Council is intending to enter a funding arrangement with Haybrook College Trust (HCT) that will be the subject of another report to Cabinet, to enable HCT to appoint a building contractor to carry out works to expand facilities on the college site to the north of Haymill. This arrangement includes the Council granting a 125 year lease of the college site to HCT and a Licence for Alterations, to permit HCT to carry out the works on the land. The terms of the lease will be aligned with terms of the contract documents for the sale of Haymill, to the extent they relate to the interface between the Haybrook College and Haymill sites.

The Council intends to enter a Deed of Variation to the Option Agreement of March 2013 with SUR and CSRS, to record the parties’ agreement that a) the Haymill site will be drawn down by SUR from the Council on the same date as the Completion Date provided for in the Sale Contract to the purchaser (to achieve a sub – sale in accordance with the tax advice received by the Council), and b) the remainder of the Haymill land that is not to be sold to the purchaser will be released from the 2013 Option when SUR exercises the Option immediately before the Sale Contract is entered with the purchaser.

2.22 The SUR Board granted approval in May 2023 to progress the design of a residential development on the Haymill site and to secure satisfactory planning consent, with the intention to dispose of the development opportunity in 2024. **Figure 1: Land for disposal**

(blue line) Red line denotes access rights over Littlebrook Avenue and emergency access and pedestrian access via access road off Burnham Lane.



Figure 2: Haymill Development Site- consented layout



## Planning

2.23 SUR secured detailed planning consent for the site on 9<sup>th</sup> July, 2024 (application reference no.P/04628/030) with a S106 Agreement dated 5<sup>th</sup> July.. The permission is subject to various planning conditions.

2.24 The consented scheme is for 33 dwellings, being a mix of 2 to 4 bed market (23) and affordable (10) units, plus a central amenity space, private gardens, car and cycle parking and landscaping. The 10 affordable houses comprise 5 affordable rented, 3 first homes and 2 shared - ownership.

The main access to the site is from Littlebrook Avenue. A total of 71 car parking spaces are to be provided.

2.25 The developer purchaser has indicated they intend to deliver the consented scheme, which is wholly planning policy compliant (albeit there is nothing to prevent an amended application or new application being submitted for approval). The purchaser will be required to deliver the residential development in accordance with Building Regulations.

## Valuation

2.26 The Council's holding costs, including demolition, amount to circa £110,000.

2.27 The land is held in the Council's balance sheet and is revalued annually at fair value in line with accounting standards, by the valuers Wilks Head Eve (WHE).

2.28 The Recommended Offer is for the sale of the Haymill land. Further details on the offer are included in the Confidential Appendices 2 & 4. The Council's expected receipt following sale is in excess of the fixed existing use value EUV land price as agreed by Cabinet in Sept 2023 (at £129,500); this being the value of the site without the benefit of planning; and in line with both the Red Book valuation (attached in Appendix 3) and the WHE valuation of £5,148,000 for accounting purposes as at 31<sup>st</sup> March, 2024.

2.29 Haslams have led the marketing process and provided professional advice on market conditions and evaluation of bids received. The proposed Purchaser is named in Appendix 1 and has been selected for the reasons contained in that Appendix.

## Marketing and bids

2.30 The SDP includes a marketing report from Haslams with details of the marketing exercise, evaluation of bids and preferred bidder recommendation. A summary of non - confidential information is set out below.

2.31 Haslams sales particulars were uploaded to their website and sent to 500+ commercial and residential developers active locally. Haslams have built on their market engagement with developers to ensure known interested parties were contacted, and recommended a guide price of OIEO £3.5m. The level of guide price set, at some way below the WHE valuation level, was considered appropriate by Haslams as a way of optimising competitive interest in the site from market bidders.

2.32 A deadline for bids was agreed for 30<sup>th</sup> May, 2024. During this period, Haslams accompanied viewings of the site with interested parties and after signature of non -



disclosure agreements, all were provided data room access containing relevant planning, legal and technical information.

- 2.33 15 parties undertook site visits; of which 13 submitted offers. Following a Best And Final Offer (BAFO) stage with 7 shortlisted parties, a preferred bidder was selected at a price in excess of the £3.5m guide.
- 2.34 The SUR Board agreed the preferred bidder on June 24<sup>th</sup>, 2024, on terms considered to represent best consideration in accordance with S123 of the Local Government Act 1972; due to a range of factors (as set out in the SDP) including price, other commercial terms and credibility of bid. In addition, the Red Book valuation also supports best value, as set out in Appendix 3.

### Summary of Proposed Terms

- 2.35 Heads of Terms for an unconditional sale (but subject to delivery of vacant possession, formal approvals and ground investigation survey) have been agreed with the purchaser, as appended to the SDP. Anticipated exchange of contracts is the w/c 4th November, 2024, after confirmation of the Council's formal approval; followed by sale completion 10 working days later.

### Critical Path

- 2.36 The key activities and milestones are set out in the following table, with exchange anticipated at the beginning of November.

**Table 2: Critical Path**

Activity	Dates
Disposal Strategy agreed – Council/Muse/SUR	September 2023
SDP approved – Cabinet / SUR	September 2023
Start of Marketing	February, 2024
Preferred Bidder confirmed	24 <sup>th</sup> June 2024
Draft legal documents issued	2 <sup>nd</sup> July, 2024
Expected site vacation by SBC	21 <sup>st</sup> October, 2024
SUR Board approval	10 <sup>th</sup> September, 2024
SBC Cabinet approval, followed by 5 - day call in.	21st October, 2024
Purchaser's approvals	September, 2024
Exchange of Sale Contract	NLT w/c 4 <sup>th</sup> November 2024
Completion and cash receipt	10 working days later, NLT 18 <sup>th</sup> November, 2024.

### Lessons Learnt

- 2.37 This transaction has benefited from lessons learnt from recent transactions, adopting some of the precedent documents used in previous On-Sale Site disposals to facilitate a quicker contract management process.
- 2.38 The Council's oversight arrangements have worked effectively for this transaction including bi-weekly Corporate Oversight Board (COB) meetings. The Council has identified the importance of maintaining full membership of the COB Board in preparation for future key transactions.

### **3 Implications of the Recommendation**

#### **3.1 Financial implications**

- 3.1.1 The site has been in Council ownership for many years and as such there are no acquisition costs or debt associated with the site. The former educational and community buildings on the site were demolished at a cost in the region of £109,600. There are no ongoing revenue costs/income streams related to the site. There will be costs associated with relocating the Community Transport team, estimated at £45,000, and these will be treated as part of the cost of disposal.
- 3.1.2 It is estimated that disposal of the Council's land will generate a capital receipt in line with a) the valuation for accounting purposes (at fair value) by Wilks Head Eve, and b) the Red Book valuation; and c) well in excess of the Council's holding and associated costs incurred to date. Terms of the purchase offer remain subject to contract, and the detailed financial implications are reported in Confidential Appendix 2.
- 3.1.3 The Council and CSRS agreed to fund the predevelopment and transaction costs of £351,000 including design, planning, legal and sale agent costs.
- 3.1.4 The capital receipt payable to the Council has been calculated based upon the On - Sale Site mechanism. SUR receive the sale price. The Council's share of sale proceeds is governed by the (confidential) waterfall agreement as set out in Part 2.
- 3.1.5 A deposit of 5% will be paid at exchange and held as Stakeholder; the balance will be paid on completion.
- 3.1.6 The Council's capital receipt is calculated after all payments/costs of sale etc.
- 3.1.7 Appendix 2 includes a Confidential Commercial Finance Overview including relevant key headlines from a Council perspective.
- 3.1.8 The Council has taken initial advice on SDLT and VAT matters. SDLT will be payable by the purchaser. VAT is not payable on the purchase price as SUR has not opted to tax the land.
- 3.1.9 The Council has completed an Asset Appraisal & Disposal Framework Calculation for this site to consider the overall impact of the disposal on MRP and Capitalisation Direction. The de-minimus figure is lower than the expected capital receipt for the asset, resulting in a benefit to the Council following disposal.

#### **Legal implications**

- 3.2.1 Pursuant to section 123 of the Local Government Act 1972 ("Section 123 LGA 1972"), the Council has the power to dispose of land in any manner it wishes, subject to certain provisions. The Council has a statutory duty to obtain the best price reasonably obtainable, subject to certain exemptions. Section 123(2) permits a disposal at less than the best price reasonably obtainable with the consent of the Secretary of State.
- 3.2.2. When considering the duty under section 123 LGA 1972, what is reasonable in any particular case depends entirely on the facts of the transaction.

- 3.2.3. Case law has determined that whilst there is no absolute requirement to market the land or obtain an independent valuation, if valuation evidence is obtained, it should be up to date and that there should not have been any material and significant changes in circumstances since it was obtained.
- 3.2.4 In addition, obtaining proper professional advice throughout the process on how to maximise its receipts is a material consideration and the Council should limit itself to taking account of those elements of a transaction which are of commercial or monetary value and should disregard irrelevant factors such as “job creation” when assessing whether it is obtaining the best consideration reasonably obtainable. The deliverability or credibility of a bid are commercial factors which are relevant to an assessment.
- 3.2.5 Marketing and commercial advice has been obtained from Haslams, who with Devonshires have advised SUR on the negotiations with the proposed purchaser to agree commercial terms. Bevan Brittan have advised the Council on disposal matters pertaining to the Council as land owner and member of SUR.
- 3.2.6. Following the open market exercise reported by Haslams in the confidential Appendix 1, the agreed offer price exceeds guide price and the fixed land price, and is in line with the latest WHE accounting valuation. Haslams have confirmed the sale price represents best consideration reasonably obtainable in the current market, and the recent Red Book valuation further supports this.
- 3.2.7 In addition to meeting its best consideration duty, the Council must comply with its best value duty. This requires consideration as to the income generated from the asset compared to the capital receipt to be achieved upon sale. The financial implications contain an assessment of these two options.
- 3.2.8 Section 2.36 sets out the critical path, including key legal documentation, required to achieve the sale. Recommendations in this report enable these legal documents to be approved and entered into by the Council by way of the relevant delegated authority.
- 3.2.9 SUR was procured in 2012 under a compliant public procurement procedure. SUR is governed by (amongst other documents) the SUR Partnership Agreement. The Council (as JV Partner) has to date complied with the relevant legal and governance requirements under the JV arrangements, to enable the disposal of the Haymill site to take place. By making the resolutions referred to in paragraph 1.3 (Recommendations) the Council will take the final steps in this regard.

### **Risk management implications**

- 3.3.1 The recommendations required from Cabinet, as detailed at paragraph 1.3 of this report, are intended to improve the Council’s financial position; by realising capital receipts that can be used to repay Council borrowing from existing high levels and reduce debt servicing charges, in the form of interest and minimum revenue provision, MRP. If the recommendations are not approved, this will delay the Council returning to a financially sustainable position. Specific risks are summarised below:

**Table 3: Risk Summary**

Risk	Summary	Mitigations
Financial	<ul style="list-style-type: none"> <li>a) Delay in realising capital receipts from assets will delay the Council's financial recovery</li> <li>b) Sale terms are subject to the purchaser completing a ground investigation survey, prior to exchange.</li> <li>c) Market bid levels</li> <li>d) Any delay in delivering the Council's vacant possession.</li> </ul>	<p>Cabinet to approve officers to proceed with the sale. Recommendations reflect this.</p> <p>Terms agreed with the purchaser already assume an allowance for any abnormal ground conditions.</p> <p>Fully competitive marketing &amp; bid management by the agent Haslams have helped ensure maximum bid levels. Suitable alternative locations have been identified to achieve vacant possession on time.</p>
Governance	<p>Failure to obtain best consideration from the disposal could expose the Council to risk of legal challenge</p>	<p>SUR has employed external advisors to manage and competitively market the site, having access to wider markets than officers locally; and has maintained a regular review of the market throughout 2023/24.</p> <p>A Red Book valuation from Haslams provides market information and confirms receipt of best price. The MRICS registered valuer has provided an independent report, including confirmation of the valuer's separate role from that of marketing.</p>
Legal	<p>Failure to provide proper legal documentation/ title/deeds etc, which could delay or halt the sale.</p> <p>Delay to contract negotiations</p> <p>Failure to establish the purchaser as a reputable business, with proof of funding.</p>	<p>Precedent legal documents from previous On-Sale Site disposals have been used to facilitate a quicker contract management process.</p> <p>Regular meetings between all parties – Council/SUR/legal advisers</p> <p>Due diligence undertaken on the purchaser to assess funding and track record, including anti-money laundering checks.</p>

<b>Risk</b>	<b>Summary</b>	<b>Mitigations</b>
Governance	Failure to establish robust governance arrangements could expose the Council to risk of impropriety and legal challenge.	The Council has established sound governance for SUR, including biweekly Corporate Oversight Board meetings and a professional SUR client team.  SUR has adopted a Disposal Strategy for other recent site sales; applying the same arrangements for this sale.
Reputational	Unable to agree a way forward, causing delay to asset disposals and failure to deliver capital receipts within the timescales set out in the Debt Reduction/Asset Disposal Strategy	Governance, project management and decision making operate effectively to deliver asset disposals on time and at best consideration for the Council  Timely decision making, to support sales to third parties that align with market expectations.

### **3.4 Environmental implications**

3.4.1 No environmental implications have been identified as a direct result of this report.

### **3.5 Equality implications**

3.5.1 This asset has been used by Community Transport but the service is being relocated. There are no identified equality implications with the disposal of this site.

### **3.6 Procurement implications**

3.6.1 There are no procurement implications.

### **3.7 Workforce implications**

3.7.1 No workforce implications have been identified as a direct result of this report.

### **3.8 Property implications**

3.8.1 This report will directly impact on the Council's land and property holdings as set out in this report.

## **4. Background Papers**

None