

ARUN DISTRICT COUNCIL

REPORT FOR INFORMATION TO ECONOMIC COMMITTEE ON 12 OCTOBER 2021

SUBJECT: Lorry Park, London Road, Bognor Regis – Marketing Update

REPORT AUTHOR: Nathaniel Slade, Group Head of Technical Services
DATE: 27 September 2021
EXTN: 01903 737683
AREA: Place

EXECUTIVE SUMMARY:

The report will provide an update on progress against the instruction of the Economic Committee on 26 July to procure the services of an agent and market the site.

RECOMMENDATIONS:

N/A

1. BACKGROUND:

1.1 At the meeting on 26 July, the Economic Committee resolved that:

- 1) Officers to immediately re-market the London Road Lorry Coach Park (Bognor Regis) for sale, and to report back a marketing and level of interest update to the next meeting of the Economic Committee.
- 2) When re-marketing, Officers are to advise interested parties that the Council would prefer a developer to retain 100 public car parking spaces, re-provide public toilets, and facilitate a quality entrance route to Hotham Park.
- 3) The land area under consideration incorporates the adjoining car park. In marketing the site, Officers will use an agent, and the terms of sale will be as before, with no end use defined.
- 4) Officers are given authority to exceed their £100,000 delegated authority in respect of a fee which could become payable to an agent.

1.2 Since the resolution of the Economic Committee on 26 July the Council's Property and Estates team have obtained procurement advice regarding the appointment of an agent. The team also undertook some soft market testing with a number of agents about how to best structure the marketing of the site, in the context of the previous approach to ensure

purchasers have confidence. All agents approached were in agreement that in our marketing we should cover all potential uses including student, residential, care, hotel, housing associations, private rented sector as well as joint venture.

1.3 The procurement advice received is that it is possible to procure agent services on the basis of inviting at least three quotes.

1.4 Having taken account of advice from a number of agents, and with the agreement of the Chair, the Property & Estates team have invited quotations from three agents based on the parameters below.

- A. The contracted Agent is to go back to the parties that showed interest previously in order to let them know that the Council are going to be re-marketing the site, and that it has to go back to the open market. The Agent is to explain to them clearly the reason why it couldn't be sold before. This would take place at prior to/ at commencement of the open marketing exercise.
- B. At the same time the contracted Agent would use their network to approach other potential purchasers who they think would be interested, affording potential bidders time to carry out their due diligence. This would include operators with track records in joint venture projects.
- C. The Agent to complete a full marketing campaign during the month of October and an anticipated call for bids in the early part of November 2021. The Agent to then complete an assessment of bids in order to make a recommendation in terms of best offer(s) received.
- D. As part of the process the Council would expect the Agent to complete due diligence check on the bidders in order to ensure that they are of suitable financial standing to support all submitted bids.
- E. In terms of site this will be the whole site area of London Road Car park including the car park, lorry park, WC etc to our title boundary. In terms of what the Council expect bidders to deliver to it included in the deal must include public car parking of 100 spaces, re-provision of public toilets (four unisex cubicles and one accessible cubicle) and to facilitate a quality entrance route to Hotham Park through from London Road.

1.5 At the time of writing two of the three agents had provided a response showing interest in the opportunity to market the site on behalf of the Council. Further information was needed from the agents prior to an officer decision on procuring their services. The third agent declined the opportunity due to leave commitments.

1.6 At the time of writing it is considered realistic to have appointed an agent within the next two weeks. Following appointment, an agent will require a period of a few weeks to prepare a marketing campaign and materials. The initial timescales set out in the draft brief above will therefore be adjusted by at least a month.

1.7 Following the market exercise, and receipt of offers, after the agent has completed due diligence checks and made a recommendation on the best offer(s), a report will be presented to the Economic Committee for decision, which is likely to be in the new year.

2. PROPOSAL(S):		
N/A		
3. OPTIONS:		
N/A		
4. CONSULTATION:		
Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council		N
Relevant District Ward Councillors		N
Other groups/persons (please specify) Procurement service and agents as detailed in paragraphs 1.2-1.4.	Y	
5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial	Y	
Legal	Y	
Human Rights/Equality Impact Assessment	Y	
Community Safety including Section 17 of Crime & Disorder Act		N
Sustainability		N
Asset Management/Property/Land	Y	
Technology		N
Other (please explain)		N
6. IMPLICATIONS:		
<p>Financial:</p> <p>The appointment of an agent will result in the Council incurring costs regardless of whether a sale is concluded, in addition to fees on completion linked to the value of the transaction. Disposal of the site would result in either a substantial capital sum, or an alternative arrangement such as ongoing income if a joint venture is entered into.</p> <p>Legal:</p> <p>Where Legal Services have the capacity in the requisite area of expertise, their services will be used in the resulting conveyance or joint venture.</p> <p>Human rights:</p> <p>It has been proposed that the accessible toilet be re-provided as part of the redevelopment of the site.</p>		

7. REASON FOR THE DECISION:

NA

8. BACKGROUND PAPERS:

Draft minutes of the Economic Committee meeting 26 July 2021

[Printed minutes 26th-Jul-2021 18.00 Economic Committee.pdf \(arun.gov.uk\)](#)