

Appendix 5 – CONFIDENTIAL

Civic Centres Disposal Note

The Outline Business Cases prepared by FuturePlaces for the two civic centres recommended their development as combined residential and hotel schemes. These were approved by Cabinet on 8 March 2023, but the final decisions were deferred by Council for consideration after the election.

These sites are therefore being brought forward now, with a revised recommendation, for the following reasons:

- A continuation of these schemes taking the approaches outlined would require the Council to accept the development and investment risk associated with these business cases, subject to a full business case, and expend circa £70m (funded from prudential borrowing).
- Progressing a full business case will take considerable time which will mean the Council remains liable for the ongoing costs of ownership for a longer period (including security, insurance, maintenance etc).
- FuturePlaces have advised that the hotel market is evolving, and viability and deliverability will need to be continually checked as the schemes progress. This, coupled with the current economic conditions (including rising interest rates and material costs) which are challenging the viability of large development schemes, means the full business case may not follow the same recommendations as previously set out.

Council officers are therefore recommending these sites for disposal.

This course of action will mean the recommendations within the previous business cases, as prepared by FuturePlaces, will not be taken forward, and the Council will lose direct control of the place-shaping of these sites but will no longer be subject to the development and investment risk associated with these assets.

In addition, the Council's challenging financial position, including a £44m gap in the MTFP in 2024/25, means that serious consideration must be given to selling non-operational and non-income generating assets. In accordance with the Council's capital strategy the net receipts from these disposals, after taking account of all relevant disposal costs, will be made available to fund the Council's Transformation Investment Programme.

Background

The Council's Corporate Property Group confirmed that both these sites are surplus to Council service requirements at its meeting on 14 September 2022 and Council is asked to approve the disposal of the former civic offices in Poole and Christchurch on such terms to be approved by the Chief Financial Officer, also acting in his capacity as Corporate Property Officer, in consultation with the Portfolio Holder for Finance.

The Council has the necessary statutory powers to dispose of this land under Section 123 of the Local Government Act 1972, which gives a general power of disposal for the best consideration reasonable obtainable.

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Asset No's: 299, 452, 453, 300

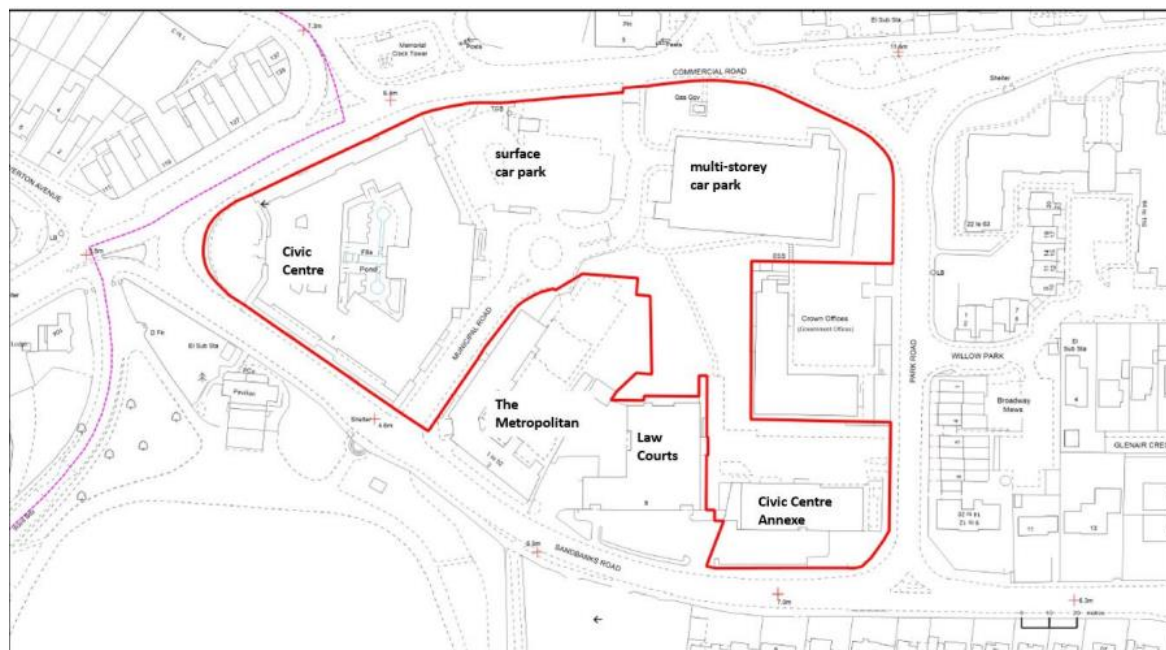
Address: Civic Centre Offices and Multi Storey Car Park, Civic Centre Annexe and Civic Centre Surface Car Park

Civic Centre, Sandbanks Road, Poole, BH15 2RU

Photo



Location Plan (not to scale)



Site Area	2.27 hectares (5.6 acres)	
	Area Data	
Rateable Value (2023 list)		
Civic Offices	£402,500	6,473.55m ²
Annexe	£93,500	1,305.8m ²

£2,957,000 Estimated sales value (Asset Valuation)
Proposed sale by Private Treaty

Description: The Civic Centre was built in the 1930s and extended in the 1980s. Accommodation is over three storeys, and the building was Grade II listed in 2019. The Civic Centre Annexe dates from the 1960s and is locally listed.

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Accommodation: Fitted out as offices.

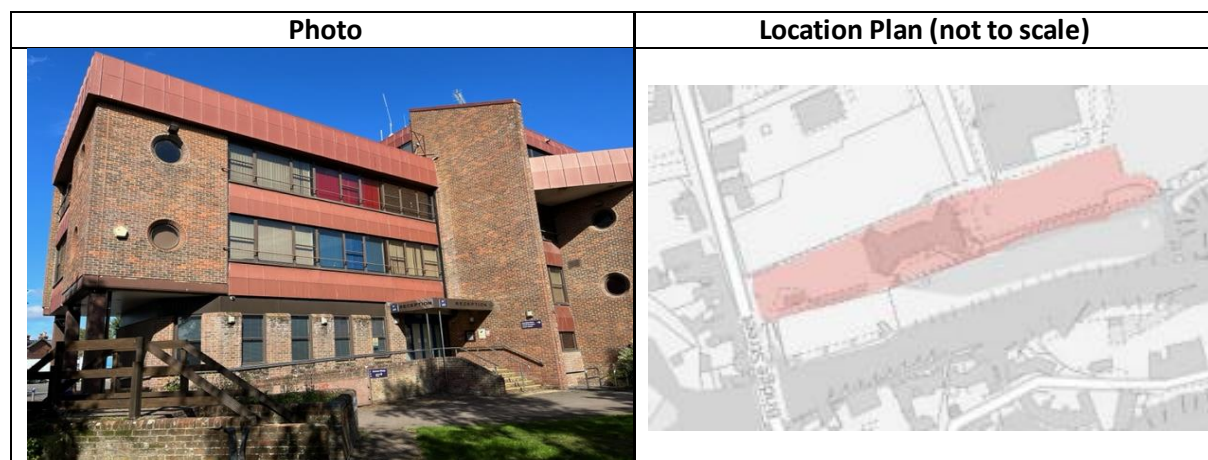
Tenure: Freehold with vacant possession

An Independent RICS Red Book valuation report will be commissioned for this asset to determine the Market Value for the purposes of disposal. This may be higher or lower than the last Asset Valuation by the external valuers.

After we have carried out our due diligence, we will be able to advise whether the sale should include the income producing multi-storey car park and whether the site should be broken down into smaller plots and then sold off.

Asset Number: C0200

Address: Civic Offices, Bridge Street, Christchurch, BH23 1AZ



Site Area	0.25ha	
		Area Data
Rateable Value (2023 list)	£215,000	2,221m ²

£2,337,000 Estimated sales value
Proposed sale by Private Treaty

Description: A purpose-built office block constructed in the mid 1980's with brick elevations under a combination of pitched and flat roofs situated alongside the River Avon.

Accommodation: Fitted out as offices.

Tenure: Freehold with vacant possession

An Independent RICS Red Book valuation report will be commissioned for this asset to determine the Market Value for the purposes of disposal. This may be higher or lower than the last Asset Valuation by the external valuers.

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Background papers

Poole Civic Centre Outline Business Case -

<https://democracy.bcpccouncil.gov.uk/documents/s40193/Appendix%20A%20for%20BCP%20FuturePlaces%20Ltd%20Outline%20Business%20Case%20for%20Poole%20Civic%20Centre.pdf>

Christchurch Civic Centre Outline Business Case -

<https://democracy.bcpccouncil.gov.uk/documents/s36986/Appendix%20A%20OBC%20Christchurch%20Civic%20Centre.pdf>