

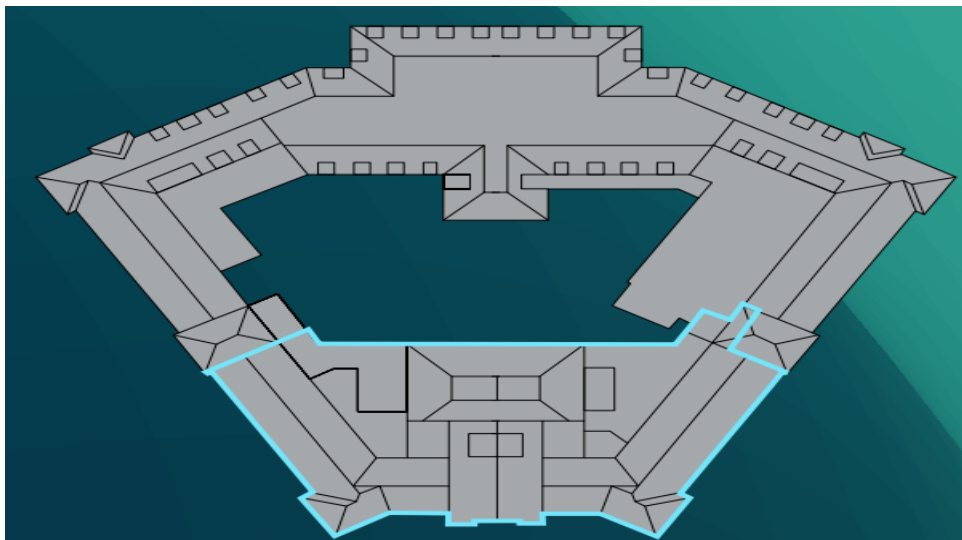
Report subject	<b>Poole Civic Centre – Soft Market Testing</b>
Meeting date	16 July 2025
Status	Public Report
Executive summary	This report presents the outcome of the market testing in respect of the disposal of Poole Civic Centre.
Recommendations	<p><b>It is RECOMMENDED that Cabinet recommend that Council:</b></p> <p><b>a) Approve the freehold disposal of the whole of the former Poole civic offices to MCR Property Group for £5.25m. After completion of the sale, MCR Property Group will enter discussions with the Poole Chartered Trustees or any future Town Council regarding the terms of lease of the vertical slice. The terms of this offer are set out in confidential Appendix C1 and C2.</b></p>
Reason for recommendations	To obtain approval for the disposal of the former Poole Civic Centre in Sandbanks Road, Poole. BH15 2RU
Portfolio Holder(s):	Cllr. Mike Cox, Portfolio Holder for Finance
Corporate Director	Graham Farrant, Chief Executive
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Wards	Parkstone
Classification	For Recommendation

## Background

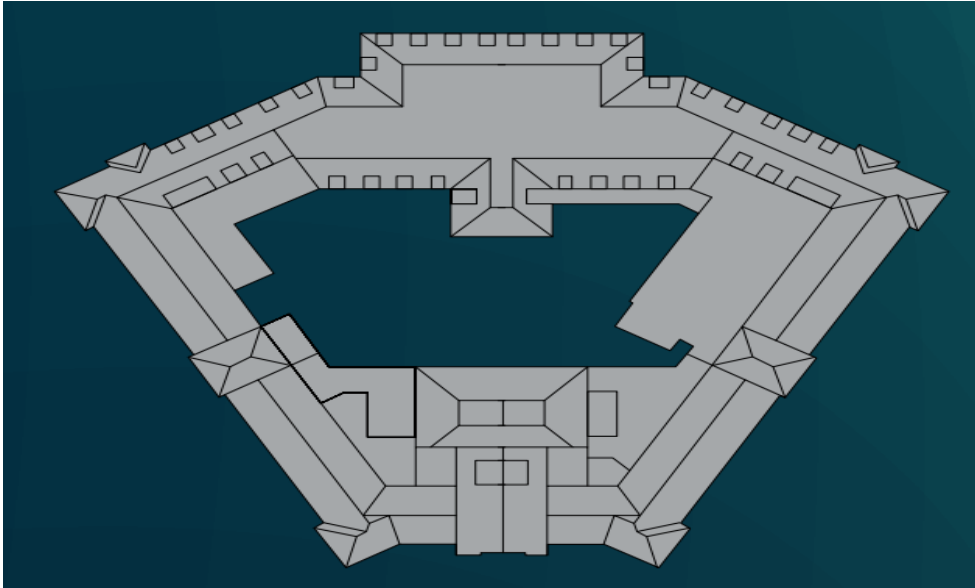
1. On the 15 October 2024 Council considered a report from Cabinet dated 2 October 2024 which recommended the disposal of the former civic centre in Poole. After debate Council resolved the following.
  - (a) *note the confidential draft minutes and the recommendations of the Cross-Party Asset Disposal Working Group meeting held on the 20 September 2024; and*
  - (b) *proceeds to market testing on the basis of disposal of the whole site and disposal of the site minus the vertically sliced civic function, and that the viability of retaining the vertical slice in public use incorporating the Poole Mayoralty function and potential community and coroner use be properly considered by the Council with any decision as to disposal being reserved to Council.*

## Market testing process

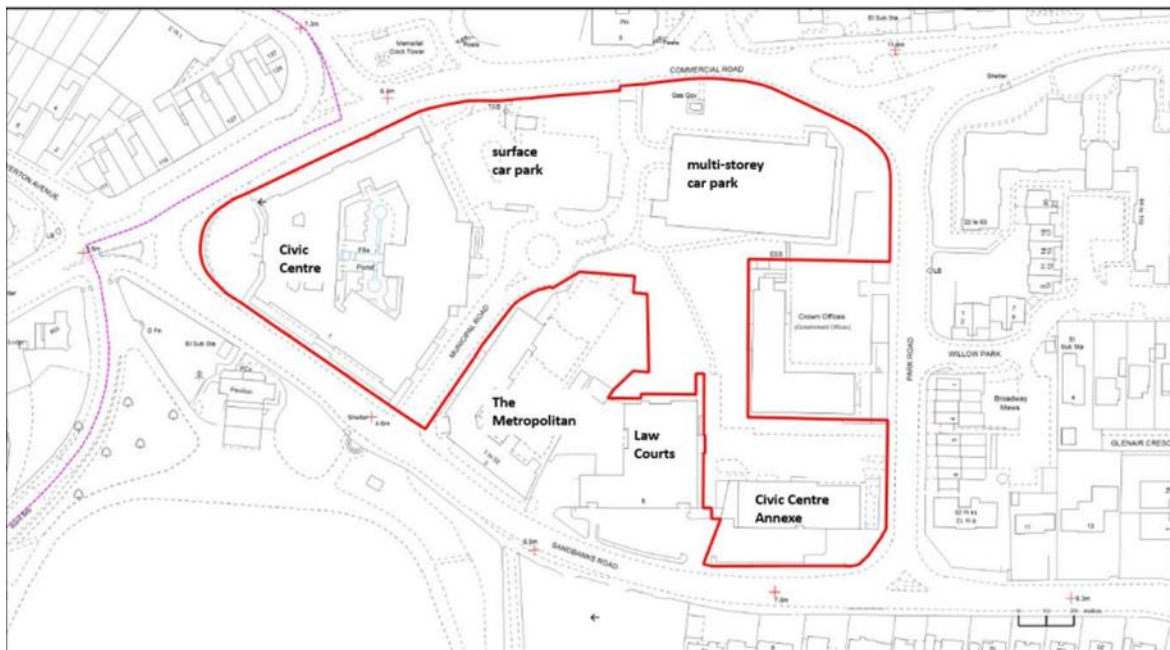
2. To fulfil the requirements of Council the site was marketed by CBRE as the agent of the Council between 24 February and 8 May 2025. A copy of the brochure is included as **Appendix A**.
3. In line with normal arrangements for such disposals the marketing process was supported by a comprehensive range of information which was made available to credible third parties via a data room arrangement. This included.
  - Environmental surveys.
  - Report of title and searches.
  - Measured and topographical surveys.
  - Planning appraisal with architectural interpretation.
4. As per the Council decision, offers were invited based on two options.
5. **Option 1:** Council sell the freehold interest of the Civic Offices, and the option is retained for the Chartered Trustees or any future Poole Town Council to rent the vertical slice. The vertical slice comprises an area of the Civic Offices on four floors. The ground floor area (edged blue) is shown below and drawings of all the floor areas are attached at Appendix B. The areas relating to the Chartered Trustees are in grey on the ground and first floors.



**Option 2: Council disposes of the whole building**



6. In addition, potential purchasers could include or bid separately for the multi-storey car park, civic centre annexe and surface car parks. The site was offered freehold with vacant possession on an unconditional basis.
7. The entire Poole Civic Centre is shown below edged red:



## **Market testing proposals for consideration**

8. Attached at **Appendix C1 & C2** is a summary of the first and second round of bids received. The three highest bidders of the first round were offered to make second bids. The bids are unconditional on planning and are all for the whole of Poole Civic Centre comprising the Civic Centre Offices, Civic Centre Annexe, multistorey car park and surface car parks. The key elements of the three highest bids are as follows, with the detail for each bid set out in Confidential Appendix C.
9. Offer from MCR Property Group: £5.25m based upon Option 2. After completion of the disposal, they will make space available for the Poole Chartered Trustees or any future Poole Town Council on a new 10-year lease on full repairing and insuring terms at a rental of £17 per sq ft. Overage is agreed for a period of 12 months.
10. Offer from First Property Asset Management (Fpam): £4.15m based upon Option 2. No overage and no lease terms for the Poole Chartered Trustees.
11. Offer from Philip Oram: £4.5m based upon Option 2. No overage and no lease terms for the Poole Chartered Trustees.

## **Summary of financial implications**

12. On the basis that the offer from MCR Property Group represents best consideration the proposal is to proceed with this offer as set out in confidential Appendix C. The Council will also look to offset any costs associated with the disposal from this capital receipt.
13. The holding costs for Poole Civic Centre are high and disposing of this asset as soon as possible is in BCP Council's best interests.

## **Summary of legal implications**

14. The Council is empowered to sell land that it holds, and it may do so in any manner that it wishes. This is however subject to the proviso that the Secretary of State's consent is needed to any disposal which is considered not to be best value or is to be at an undervalue.
15. The council may therefore choose to sell the property freehold (unconditionally or subject to conditions) or may offer to grant a long leasehold (of sufficient duration to enable development).
16. The offer for sale of a leasehold interest or a freehold conditional on the grant of planning permission may enable greater control over the development if, for example, mechanisms are included to ensure approval of planning applications prior to submission to the council as Local Planning Authority.
17. The offer of a sale of a leasehold interest will place obligations on the purchaser to undertake the development of the site.
18. However, it should be noted that the terms on which the interest in the land is offered for sale will affect the value of the land. To maximise interest in the sale and the capital receipt and achieve a timely sale the freehold interest was offered to the market on an unconditional basis.
49. Further steps will need to be taken to prepare the legal title for disposal. For example, it will be necessary to close the two surface car parks prior to the disposal of the land and obtain vacant possession of the Civic Centre annexe.

20. CBRE has been appointed to act to dispose of this asset. They have dealt with all expressions of interest received and will agree heads of terms prior to acceptance of the offer.
21. It is only once an offer is accepted that instructions are issued for the lawyers to negotiate the formal contract & transfer. During this period the purchaser will also undertake searches and raise queries on the property which must be responded to.
22. The legal work can take at least 12 weeks from acceptance of an offer to complete the overage agreements and reach contractual completion. Depending on the actions that the prospective purchaser needs to take, this timescale could be even longer and in many instances is not open to influence by the seller. It is anticipated that the capital receipt will be achieved in the 2025/26 financial year.

### **Summary of human resources implications**

23. There are no direct human resources implications of this decision.

### **Summary of sustainability impact**

24. The Asset Management Plan recognises the estate should be sustainable and carbon neutral and will play a key role in the council achieving these targets. Disposal of surplus assets will reduce the council's carbon emissions.

### **Summary of public health implications**

25. There are no direct public health implications associated with this decision.

### **Summary of equality implications**

26. On the basis that a decision to close Poole Civic Offices and consolidate the staff into the Bournemouth site has already been made then this decision will not have any direct equality implications.

### **Summary of risk assessment**

27. The site itself has several specific risks, as set out in the BCP FuturePlaces Ltd outline business case. These include planning – change of use, conversion of listed building; title restrictions restricting the use of the site; tree retention; the cost of securing the fabric of the listed building – as set out in the building condition survey which was commissioned as part of the disposal process.

### **Background papers**

28. Council 21 March 2023

BCP FuturePlaces Ltd – Outline Business Cases for Poole Civic Centre Buildings

<https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?CId=284&MId=5033&Ver=4>

29. Council 15 October 2024

Poole Civic Centre

<https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?CId=284&MId=5909&Ver=4>

## **Appendices**

Appendix A Poole Civic Centre – Marketing Brochure - CBRE

Appendix B Vertical Slice drawings (**as below**)

Appendix C1 & C2 **CONFIDENTIAL** Market Testing

Appendix B – Vertical Slice







