CABINET

25 JULY 2025

REPORT OF THE PORTFOLIO HOLDER FOR ASSETS AND COMMUNITY SAFETY

A.4 FREEHOLD DISPOSAL OF REDUNDANT OFFICE SITE AT WEELEY

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To consider the options in respect of the redundant Weeley Council Office site in terms of the Council's current priorities.

EXECUTIVE SUMMARY

Cabinet agreed transformation proposals on the 16 December 2016 which included disposing of a number of Council facilities, Weeley Offices being one of them. On the 17 December 2021 following an invitation of bids from two special purchasers, Cabinet agreed to appropriate the land at the site for planning purposes, to facilitate the carrying out of housing development, enter into an option agreement with the successful bidder, delegating authority to agree Heads of Terms on the principles set out in the report. Heads of Terms were agreed on 25 April 2023.

In appropriating the land for planning purposes to facilitate the carrying out of housing development, the Cabinet considered in December 2021, that the carrying out of development was likely to contribute to the economic, social or environmental well-being of the area, or which is required in the interests of the proper planning of the area in which the land is situated.

Cabinet further agreed on 11 April 2025, due to the time taken and remaining uncertainty as to the finalisation of the transaction, to cease negotiations with the previously successful bidder based on the existing Heads of Terms and consider alternative options for the disposal of the site.

As part of its earlier decision in December 2021, the previous Cabinet placed an emphasis on the opportunity to obtain additional Council houses as a way of achieving the best consideration possible for the site when it agreed its associated preferred option. As set out in earlier reports, a number of important actions and initiatives have taken place in the interim period relating to the delivery of this recommendation that would have a reasonable influence and learning opportunity when now considering alternative options. It is therefore reasonable to argue that to deliver the previous Cabinet's recommendation, such negotiations are complex and challenging to conclude and would likely to be encountered again if the Council continued to pursue the same option, albeit via alternative arrangements / bidders. Through experience to date, pursuing this option has become increasingly difficult to support from a wider and overall value for money perspective as highlighted within the options appraisal set out later within this report.

Taking the above into account and after considering the positives and negatives of the various options set out within this report, along with the ongoing costs for the site of approximately

£65,000.00p/a, it is recommended that a pragmatic and phased approach is now taken to dispose of the site, set against the underlying requirement for the Council to reasonable demonstrate the achievement of the best consideration possible.

As set out within the recommendations below, the preferred option is to dispose of the site via auction and in supporting the requirement to obtain the best consideration possible, actions will be undertaken that will include as necessary:

- Advertising of the site is maximised in content and duration, including within any associated auction catalogue(s);
- Advertising opportunities to be explored to ensure regional / national coverage;
- Contact to be made with previously interested parties to advise them of the Council's approach and auction date.
- Setting a reserve price that reflects current market conditions.

RECOMMENDATION(S)

It is recommended that Cabinet:

(a) after assessing the various options set against the current associated on-going costs and in the context of obtaining the best consideration reasonably possible, determines that the vacant Weeley Office site is no longer required for planning purposes to deliver Council Housing and approves its freehold disposal;

(b) subject to (a) such disposal to take a phased approach as set out:

(i) sell the site via auction with a reserve price reflecting current market conditions;
(ii) If during the period the property is being advertised for auction, an offer is received which meets the Council's requirements as set within recommendation (c) below, the Leader of the Council and the Portfolio Holder for Assets and Community Safety can determine whether or not to proceed with the auction;
(iii) subject to (i) above, in the event that the reserve price is not met and/or best consideration cannot be reasonably demonstrated, agrees to market the site via an open market tender; and
(iv) subject to (i), (ii) and (iii) above, if best consideration obtainable cannot be reasonably be demonstrated via the above two options, then a further report be presented to Cabinet that explores / revisits potential alternative options.

(b) subject to (a) agrees that the necessary decisions required through the phased approach be taken by the Leader of the Council and Portfolio Holder for Assets, following receipt of professional valuation advice, and in consultation with the Section 151 Officer and the Monitoring Officer.

(c) delegates authority to the Portfolio Holder for Assets and Community Safety, in consultation with the Leader of the Council, the Section 151 Officer and the Monitoring Officer to withdraw the property from auction and agree an alternative disposal and enable necessary consents to be obtained and legal agreements

completed in the circumstances that an alternative proposal is received the meets the following criteria:

(i) The financial benefit to the Council is more than could be reasonably anticipated at auction;
(ii) The financial benefit to the Council demonstrates best value for the site; and
(iii) The proposer agrees and signs a legally binding agreement prior to the date of the auction.

REASON(S) FOR THE RECOMMENDATION(S)

- Provides a definitive end date for sale and disposal.
- Reduces ongoing holding costs and uncertainty.
- Transparent and efficient process.

Whilst there is a small risk that it may not maximise the financial return, an auction provides best value by way of the process itself. Selling the site 'as seen' at auction will remove the Council's future risks and ongoing financial liability of the site.

ALTERNATIVE OPTIONS CONSIDERED

Option 1: Continue with Disposal for consideration being additional units of Council housing
Pros:

- Would remain in-line with the original Cabinet decision and the already agreed Heads of Terms.
- Avoids restarting the disposal process from scratch.
- Could still be a direct route to disposal if the legal issues are resolved.

Cons:

- Negotiations within the current bidder are at a stalemate after 3.5 years, with no resolution in sight.
- Legal disagreement over highway rights is unlikely to be resolved quickly, if at all.
- Continuing would likely incur further legal and staff costs with no guarantee of success.
- Significant legal and practical complexities, which would likely be encountered with existing bidder if seeking amended heads of terms or an alternative bidder
- The Council could potentially retain responsibility for the site and therefore on-going costs for a protracted period, as the ownership of the land could not be transferred until such time as the additional units of housing were completed and handed over to the Council.

Conclusion: Given the protracted and unresolved legal issues, this option carries high risk with diminishing returns. Further legal and property officer resource would be required in order to attempt to work out the ongoing disputed items and this is considered unlikely to be easily resolved. In April 2025 Cabinet decided to no longer pursue further negotiations with the preferred bidder and consider alternative disposal options.

Option 2: Stop Negotiations and Go to Open Market Tender
Pros:

- Opens the opportunity to multiple interested parties who have previously enquired.
- Could result in competitive bids, potentially increasing sale value.
- Allows the Council to set clear parameters and timelines to avoid drawn-out negotiations.

Cons:

- Risk of lengthy negotiations with a new bidder.
- Winning bidder could withdraw before legal commitment, repeating past issues.
- Requires careful management to avoid similar delays.

Conclusion: Offers a balanced approach with potential for good value, but needs strong governance to avoid repeating past delays. There are however no repercussions, other than withdrawal, if a new bidder doesn't fulfil their agreement, or the Council's timeline. There would be a resource requirement to put together a tender and advertising package for the site and evaluate bids received. On agreeing a new purchaser, further legal and property officer resource would be required in order to negotiate and put in place the agreed heads of terms, depending what is on offer. It is likely any offer will be subject to planning permission being achieved and then further legal resource required to address the existing tenant and complete the sale.

Option 3: Stop Negotiations and Demolish the Buildings
Pros:

- Eliminates ongoing NNDR liability.
- Clears the site for future development or sale.
- Removes any safety or maintenance concerns with existing structures.

Cons:

- Estimated cost of £250,000 for demolition.
- Loss of vacant building credit for planning purposes.
- Reduces flexibility for future buyers who may have repurposing plans.

Conclusion: A costly option that may limit future value unless redevelopment is imminent. Procurement resource would be required to tender for a demolition contractor and officer resource to write the procurement specification and manage the demolition contract would also be required.

Option 4: Stop Negotiations and Redevelop for Social Housing
Pros:

- Aligns with Council's social objectives and addresses housing need.
- Long-term community benefit.
- Council retains control over the site's use and development.

Cons:

1. Resource-intensive and requires significant internal capacity as well as high upfront costs and delayed financial return.
2. Likely a 5-year project from design to completion.
3. Being a rural location with limited amenities and public transport, may not be the right location for a social housing development.

Conclusion: A socially valuable option, but only viable if the Council has the resources and long-term commitment. Likely to be a 5 year resource heavy project requiring procurement resources to instruct demolition contractors, architects and building contractors, carry out all necessary site surveys and investigations and achieve planning consent, as well as significant property officer time to manage the project. The rough estimated project cost is £8Million.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES
The current Vision includes the following that are relevant to this decision:

Pride in our area and services to residents – vacant sites attract anti-social behaviour as well as general deterioration bringing the area down and leading to complaints. Vacant sites also let down neighbouring properties and residents and can affect the way in which they look after and take pride in their own property and surrounding area.

Raising aspirations and creating opportunities – moving this site forward in order for it to be redeveloped/repurposed should provide opportunities for employment and benefit local supply chains in carrying out the necessary work.

Financial Sustainability and openness – achieving best value is important in order for capital receipts to be maximised for use supporting the Council's priorities. Decisions should be taken with all the information and weighing ongoing costs with potential receipts.

The Housing Strategy includes a commitment to deliver new council housing in the District and be an enabler and provider of new, quality, energy efficient homes in our towns and villages. This strategy was implemented in 2020 and a new priority when the decision was taken by Cabinet in December 2021 to add weight to the requirement for council houses rather than a capital receipt that could be used towards other priorities. Since the December 2021 decision, the Council have built 13 new older person's bungalows, as well as purchasing or receiving by way of gifted properties 57 homes, with a further 30 due to transfer to the Council in 2025. Added to this the conversion and refurbishment of Spendells House has created 31 temporary accommodation apartments and the future projects at Carnarvon Terrace, Clacton and Victoria Street, Dovercourt, will also provide further housing. This increase in the Council's social housing portfolio should be considered when determining whether the current preferred receipt for the Weeley site is social houses, or a capital receipt that can be used to support other priorities.

The location is also a factor when considering a full social housing development. Being in a rural village, shops, public transport and other amenities are limited.

In its decision taken on 17 December 2021, Cabinet appropriated the land for planning purposes to facilitate the carry out of housing development. The current Local Plan reflects this and the site is designated for housing.

OUTCOME OF CONSULTATION AND ENGAGEMENT (including with the relevant Overview and Scrutiny Committee and other stakeholders where the item concerns proposals relating to the Budget and Policy Framework)

Generally, a resolution is sought that concludes the disposal within a definable time period, in accordance with the Council's best value responsibilities and incurs the least, further cost to the Council.

LEGAL REQUIREMENTS (including legislation & constitutional powers)

Is the recommendation a Key Decision (see the criteria stated here)	YES	**If Yes, indicate which by which criteria it is a Key Decision**	☐ **Significant effect on two or more wards** X **Involves £100,000 expenditure/income** ☐ **Is otherwise significant for the service budget**

		And when was the proposed decision published in the Notice of forthcoming decisions for the Council (must be 28 days at the latest prior to the meeting date)	24 December 2024

Pursuant to Sections 226 and 227 of the Town and Country Planning Act 1990 (as amended) the Council in December 2021 resolved to appropriate the land for planning purposes which will facilitate the carrying out of development, re-development or improvement which is likely to contribute to the economic, social or environmental well-being of the area, or which is required in the interests of the proper planning of the area in which the land is situated.

Through the appropriation for planning purposes, the public need within the locality for the existing use, was determined taking into account the relevant considerations.

Section 233 Town and Country Planning Act 1990 (as amended) provides the power to dispose of land held for planning purposes to such person, in such manner and subject to such conditions as appear to them to be expedient in order:

(a) to secure the best use of that or other land and any buildings or works which have been, or are to be, erected, constructed or carried out on it (whether by themselves or by any other person), or
(b) to secure the erection, construction or carrying out on it of any buildings or works appearing to them to be needed for the proper planning of the area of the authority.

Secretary of State consent is required for disposal for a consideration less than the best that can reasonably be obtained, therefore it is important that best consideration is obtained through any future disposal, accepting that this can be demonstrated in many ways with professional advice from an Independent Valuers. The Council's Property Dealing Procedure (within Part 5 of the Constitution) sets out various decision making requirements for the disposal of freehold interests in land and an independent valuation is required prior to any decisions being made. This information will be contained within future decisions.

Case law around the application of the duty to obtain Best Consideration Reasonably Obtainable indicates that marketing of land is not necessarily a requirement, but it is a requirement to take account of reasonable professional advice. The site has not at this stage been advertised on the open market. Prior to the disposal being agreed, the Council must be satisfied that best consideration has been obtained, further information will be contained in subsequent decisions.

Cabinet should determine its principles for the future use of the site at Weeley Offices and the relevant powers and decisions will need to be included.

YES	**The Monitoring Officer confirms they have been made aware of the above and any additional comments from them are below:**

Cabinet is required to consider whether the land is still required for the development of council housing, as determined in the decision made in December 2021. Should Cabinet determine that this

use is no longer necessary, a decision can be made to dispose of the land under Section 233 Town and Country Planning Act 1990 (as amended) which provides land held for planning purposes can be disposed to secure the best use of that or other land and any buildings or works which have been erected, constructed or carried out on it (or to secure the erection, construction or carrying out on it of any buildings or works appearing to them to be needed for the proper planning of the area of the authority).

It is noted that no conditions are being imposed for the disposal however, the land is allocated for housing within the Council's Local Plan and any future use of the land would have to comply with the statutory planning framework.

FINANCE AND OTHER RESOURCE IMPLICATIONS

The Council is currently spending in the region of £65,000.00 per year in NNDR, utility standing charges and security for the Weeley site. These ongoing costs need to be a consideration in any decision.

External legal support in negotiating the option agreement with the previous preferred bidder was secured, with the cost to be covered by the said preferred bidder on completion. Should the decision be taken to withdraw from this deal and choose a different disposal route, these fees will need to be paid, either from a totally separate budget, or from the proceeds of the alternative disposal option.

Legal officer resource will be required to prepare the auction pack and complete the sale following the auction. Auction set up fees are waived for Local Authorities and commission can be added into the buyer's terms so they are responsible for these.

Any further fees incurred up until the completion of the disposal, will be met from within existing budgets with any subsequent decisions required being included within future financial performance reports as necessary.

YES	**The Section 151 Officer confirms they have been made aware of the above and any additional comments from them are below:**

There are no significant comments over and above those set out elsewhere in the report, but it is highlighted that the proposed approach provides reasonable assurance in terms of the Council obtaining the best consideration as possible.

USE OF RESOURCES AND VALUE FOR MONEY

The following are submitted in respect of the indicated use of resources and value for money indicators:

A) Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;	The decision as to how to proceed with this site needs to take into account the risks, resources and ongoing costs of the site as set out in this report.
B) Governance: how the body ensures that it makes informed decisions and properly manages its risks, including and	Weeley site is no longer used for delivering services and disposal has previously been agreed. The manner of disposal now has to be considered in order to make sure best use

	is made of resource weighed against timeframes, ongoing costs and best value.
C) Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.	Currently the Weeley site is standing empty and gradually deteriorating, whilst costing the Council money each year. Achieving the disposal of this asset will enable funds and resources to be used for other services.

MILESTONES AND DELIVERY

26 August 2025:	Information in respect of the site to be provided to the auctioneers
29 August 2025:	Advertising on the website and is included in all advertising literature as 'coming soon next auction'
6 October 2025:	Deadline for full legal auction pack to be provided to the auctioneers
9 October 2025:	Advertising for auction lots on the website and other literature goes live
28 October 2025:	12 noon bidding opens for all auction lots
30 October 2025:	Online Auction concludes
28 November 2025:	Anticipated final completion day for the sale

ASSOCIATED RISKS AND MITIGATION

Option	Financial Impact	Time to Implement	Risk Level	Alignment with Council Objectives	Market Attractiveness	Reduction of Council Liability
1. Continue with Preferred Purchaser	High (continued legal costs, uncertain return)	Long (stalemate in negotiations)	High (legal impasse, sunk costs)	Low (no progress, limited benefit)	Low (limited to one party)	High (ongoing legal and site issues remain)
2. Open Market Tender	Low (potential for competitive bids)	Medium (depends on bidder engagement)	Medium (bidder withdrawal risk)	Medium (transparent, fair process)	High (open to all interested buyers)	Medium (depends on process efficiency)
3. Demolish Buildings	High (demolition cost £250k, no immediate return)	Short (demolition can be scheduled)	Medium (costly but straightforward)	Low (no social or community benefit)	Low (cleared site on the surface only, no vacant buildings credit or connected services)	Low (removes NNDR and most ongoing costs)

4. Redevelop for Social Housing	High (high cost, long-term return)	Long (5-year project)	High (resource intensive, long-term)	High (supports housing goals)	Medium (future value, not immediate)	Medium (Council retains control but assumes responsibility)
5. Sell via Auction	Medium (quick sale, possibly lower price)	Short (auction has fixed timeline)	Medium (price uncertainty)	Medium (quick disposal, limited control)	High (open to all interested parties in a position to move quickly)	Low (quick disposal removes liability)

There is a risk that the property becomes listed as a heritage asset – there appears some local interest in retaining the main building at the site. Whilst there is a process that any request for listing would have to go through before determination, should an application be successful then any future plans for the site will have to retain the building. This would mean that demolition (option 3) would no longer be possible, and due to the additional costs this will entail for any developer, the financial offer for the site to the Council (options 1, 2 and 5) would be reduced, or the cost to redevelop the site itself (option 4) would significantly increase.

EQUALITY IMPLICATIONS

Not specifically relevant to this decision

SOCIAL VALUE CONSIDERATIONS

Not specifically relevant to this decision

IMPLICATIONS RELATED TO DEVOLUTION AND/OR LOCAL GOVERNMENT REORGANISATION

Continue with Preferred Purchaser – it is very likely that the current issues causing the stalemate may not be resolved and therefore the site will still be a liability going into a new organisation

Open Market Tender – with a 2.5 year timeframe, it is possible that a sale could complete before the new organisation took over, however this is not guaranteed. There are risks around buyers withdrawing, planning permission not being achievable and negotiations and agreements taking too long to reach. This leaves a real possibility that the site will still be a liability going into a new organisation.

Demolish Buildings – this would remove the main ongoing costs and provide a surface cleared site for a new organisation to make a future decision over. There would however be no vacant buildings credit incentive and there would still be a cost to removing all the below ground structures before redevelopment could take place.

Redevelop for Social Housing – this would likely be a 5 year project and resource heavy, so would not be completed prior to the move to a new organisation. The commitment of the resources necessary to achieve such a project would take resource away from the work required to transition of TDC to the future organisation.

Sell via Auction – this is the only option that, due to the timeframe guarantees of auction, would assure a resolution before the new organisation takes over. There is a risk that if the site doesn't sell at auction, the liability would still remain and pass to the new organisation.

IMPLICATIONS FOR THE COUNCIL'S AIM TO BE NET ZERO BY 2050	
There are ongoing standing charges and minimal energy usage at the site.	
OTHER RELEVANT CONSIDERATIONS OR IMPLICATIONS	
Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.	
Crime and Disorder	Vacant properties continue to deteriorate impacting the surrounding area. This type of vacant property tends to attract fly-tipping and has the potential to attract anti-social behaviour the longer it remains vacant.
Health Inequalities	Not directly relevant to this decision
Subsidy Control (the requirements of the Subsidy Control Act 2022 and the related Statutory Guidance)	N/A
Area or Ward affected	Little Clacton and Weeley

PART 3 – SUPPORTING INFORMATION

BACKGROUND

Cabinet agreed transformation proposals on the 16 December 2016 which included disposing of a number of Council facilities, Weeley Offices being one of them.

On the 17 December 2021 following an invitation of bids from two special purchasers, Cabinet agreed a disposal to the successful bidder, delegating authority to agree Heads of Terms on the principles set out in the report.

Heads of Terms were agreed by the then Leader, Portfolio Holder for Housing and the Corporate Director Operations and Delivery, Section 151 Officer and Monitoring Officer on 25 April 2023 as delegated by Cabinet.

Following agreement of the Heads of Terms, which are not legally binding, negotiations have been ongoing in order to finalise the Option Agreement to legally bind Tendring District Council and the successful bidder to the deal, in order for them to start investing money on designing their scheme and applying for planning consent. The negotiations have now hit a stalemate due to differing legal opinions between the parties.

On the 11 April 2025 Cabinet agreed to no longer pursue further negotiations with the preferred bidder in respect of the Heads of Terms agreed in April 2023 and instead to explore alternative disposal options to be brought back to Cabinet for consideration and further discussion.

PREVIOUS RELEVANT DECISIONS
• Decision by Cabinet 11 April 2025 – to no longer pursue further negotiations with the preferred bidder and consider alternative disposal options • Decision by the Leader of the Council 25 April 2023 – to agree formal Heads of Terms for the sale • Cabinet decision 17 December 2021 – to proceed with the sale of the Weeley site • Cabinet decision 16 December 2016 – to sell the Weeley site as part of the transformation project
BACKGROUND PAPERS AND PUBLISHED REFERENCE MATERIAL
None

APPENDICES
None

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