

**Wiltshire Council**

**Cabinet Capital Assets Committee**

**14 September 2011**

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**Subject: Corsham Mansion House and Library**

**Cabinet member: Councillor Stuart Wheeler  
Campus Development and Culture (inc. Leisure, Sport and  
Libraries)**

**Key Decision: No**

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**Executive Summary**

At the July meeting of the Cabinet Capital Assets Committee, Members agreed to sell the Corsham Mansion House and Library to Hadston at open market value. Since that time officers have received an offer from another company, and a third party has registered an interest in its acquisition.

**Proposal**

To offer the Mansion House and Library at Pickwick Road Corsham for sale on the open market.

**Reason for Proposal**

To demonstrate that the Council has obtained the best price possible in the disposal of these assets.

**Carlton Brand**

**Director of Transformation and Resources**

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#### **Purpose of Report**

1. To seek authority to sell the Mansion House Youth Centre and Library in Pickwick Road Corsham on the open market rather than to deal only with Hadston as previously agreed.

#### **Background**

2. At its meeting in July 2011 the Cabinet Capital Assets Committee agreed to sell the Mansion House and Library in Pickwick Road Corsham to Hadston.
3. At that time, Members were particularly attracted to the proposal as the company was prepared to use the premises for community purposes whilst paying open market value, and Strategic Property Services were of the view that the Hadston proposal would maximise the receipt available.
4. Officers have subsequently received an offer for the property from a local businessman, as well as a registration of interest from a property consultant on behalf of his, as yet, unnamed clients.

#### **Main Considerations for the Council**

6. The Council is committed to ensuring it secures the best price possible in the disposal of its strategic assets. Whilst Hadston had undertaken to pay open market value, now that the Council has received confirmed interest from other parties in order to ensure that the Council's duty to obtain best value is achieved, it is considered appropriate to market the property more widely in order to give others an equal opportunity to acquire the property.
7. Accordingly it is recommended that the Council seeks tenders for the acquisition of the property by advertising its availability to all potential bidders on the open market.

8. Some of the key terms that were put to Hadston will comprise 'gateway' conditions which all interested parties must accept/pass before their offer will be considered. These include:
  - The continued occupation of the property at nil rent by the Council until it has moved its youth and library services into the proposed operational campus in Corsham.
  - Whilst contracts will be exchanged as soon as practicable, the sale will only complete after the Council has obtained planning consent and an acceptable construction tender for the proposed operational campus.
  - The bidder will be responsible for keeping the property in no worse condition than exists at the time the legal documentation is completed.
  - Evidence that the bidder has sufficient funds to meet its obligations under the terms of the transaction.
  - Conditions will be imposed that will limit bidders to use the property as set out in their tender so there can be no 'windfall gain' to the successful party without the Council benefiting financially from a more valuable planning consent being granted in the future.
9. Guidance from English Heritage on the disposal of heritage assets, (the Mansion House is Listed), recommends against accepting bids that are not conditional upon securing Listed Building and planning consent. Accordingly, any unconditional bids received will require robust evidence to support the deliverability of the bid.
10. After careful consideration, officers do not believe that a transparent and equitable open market disposal can be achieved by insisting that offers must include community benefits. To comply with European Procurement Regulations any community benefit has to be specified in the bid evaluation criteria together with the appropriate weighting that is to be applied.
11. The interested parties have expressed a desire to conclude a transaction at the earliest opportunity to mitigate against any deterioration in the physical condition of the property over the winter months. The consultation and procurement process involved in the specification of the community benefits would take the marketing process into 2012 during which time the Council could incur significant maintenance costs.
12. Accordingly, the bid evaluation will focus on acceptance of the terms of the transaction, deliverability and achieving full market value.

## **Environmental and climate change considerations**

13. Any environmental or climate change impact from the proposal will be considered at planning application stage.

## **Equalities Impact of the Proposal**

14. There are no equalities issues arising out of the proposal.

## **Risk Assessment**

15. There is a risk that a bidder submits an unrealistic 'conditional' tender or is not fully committed to the project. Therefore the sale conditions will include suitable measures to mitigate against such an eventuality.
16. There is a risk that Hadston will withdraw their interest in the property. However as the Council is in possession of an offer and there is interest from a third party the Council is obliged to offer the opportunity to acquire the property on the open market to demonstrate that it has secured the best price in the disposal of its strategic assets.
17. There is a risk that the property will deteriorate during the marketing process thereby incurring maintenance costs to the Council. Therefore the marketing period will not be prolonged but sufficient to enable all potential purchasers an equal opportunity to submit robust bids, assisted by the provision by the Council of comprehensive technical information.

## **Financial Implications**

18. Maintenance costs will be reduced between completion of the Agreement and vacating the building.
19. The Council will receive a capital receipt at the earliest practical date, thereby giving certainty whilst removing the cost of maintenance and security to an empty building

## **Legal Implications**

20. The proposal will comply with Section 123 of the Local Government Act.

## **Options Considered**

21. The Council could proceed only with Hadston but having received other interest it would be open to challenge.
22. If the Council is to widen the opportunity beyond Hadston to the other two interested parties then the same justification for doing so applies to offering the property on the open market as a whole.

## **Conclusions**

23. That given the confirmed third party interest, the Council should dispose of the Mansion House and Library at Pickwick Road Corsham on the open market to demonstrate it has obtained best value for the property.

**Carlton Brand**  
**Director of Transformation and Resources**

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Report Author:

Mark Hunnybun  
Strategic Projects and Development Manager

5 September 2011

## **Background Papers**

None

## **Appendices**

Appendix 1: Site plan