

Marketing of South Norfolk House

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Portfolio: Leader of the Council

Ward(s) Affected: Long Stratton

Purpose of the Report:

Following the decision to jointly purchase the Horizon Centre and relocate the Council's headquarters, there is a need to look at the future of South Norfolk House. As part of the work looking at future options there is a planning policy requirement that any change of use would require a period of a minimum of six months marketing to have taken place. This report seeks agreement to start that marketing to reduce the length of time between the site becoming vacant and any future use going forward.

Recommendations:

Cabinet are asked to approve:

- 1) The marketing of South Norfolk House in accordance with planning policy DM2.2 of the South Norfolk Local Plan
- 2) The delegation to the Director Resources in consultation with the Leader of the Council to obtain an independent valuation to inform the valuation that has to be agreed with Planning Officers in advance of the marketing, as required by planning policy

1 SUMMARY

- 1.1 Following the decision to jointly purchase the Horizon Centre and relocate the Council's headquarters, there is a need to look at the future of South Norfolk House. As part of the work looking at future options there is a planning policy requirement that any change of use would require a period of a minimum of six months marketing to have taken place. This report looks at the requirements of this specific planning policy and the required actions which includes the requirement to agree a valuation in advance prior to the marketing beginning. The report seeks agreement to obtain a valuation and to start the marketing to reduce the length of time between the site becoming vacant and any future use going forward.

2 BACKGROUND

- 2.1 The Council held an Extraordinary Council Meeting on the 16 May 2022 where it approved the joint purchase of the Horizon Centre, which will deliver significant financial and environmental benefits as well as cultural benefits for the One Team of Officers which will lead to improved performance and service delivery.
- 2.2 The consequence of the relocation of the Council's headquarters is the future of the South Norfolk House site and a need to minimise the period between the site becoming vacant and any future use as well as keeping any revenue costs at a minimum.

3 CURRENT POSITION/FINDINGS

- 3.1 The report which came to the Extraordinary Council Meeting in May contained a high-level appraisal of four options for the South Norfolk House site once it became vacant. While the options are developed further, to take forward any redevelopment of the site that requires a change of use there would be a need to satisfy planning regulations including the requirements under Policy DM2.2 Protection of employment sites of the South Norfolk Local Plan.
- 3.2 The Policy seeks to safeguard sites and buildings currently in or last used for an employment use. To justify departure from employment/ business development, Part (2) (a) of policy DM2.2, requires that evidence of a marketing exercise for at least 6 months at valuations agreed by the Council and for a range of suitable alternative uses should be discussed and agreed with the Council.
- 3.3 The following steps would need to be taken under part (2) (a) of Policy DM2.2 to achieve a change of use:
- a) Agree valuations with the Council as the local planning authority for the current site/use and a range of suitable alternative uses.
 - b) Actively market the site for a least 6 months based on valuation(s) agreed with the Council.
 - c) Gather/ present evidence and findings of marketing exercise and any offers in support of any planning application and/or in support of pre-application advice.

4 PROPOSED ACTION

- 4.1 In order to compile with the steps outlined above it is proposed that Cabinet agree the marketing of the site is progressed as quickly as possible so that the six-month period is initiated.
- 4.2 That as part of the instigation of that work, Officers obtain an independent valuation via a suitable accredited and recognised surveyor, which Planning Officers have indicated would be acceptable as evidence on which to agree up front a valuation.

5 OTHER OPTIONS

- 5.1 Policy DM2.2 Protection of employment sites does include an alternative option which is:

There would be an overriding economic, environmental or community benefit from redevelopment or change to another use which outweighs the benefit of the current lawful use continuing.

- 5.2 However, this carries significant risk as any challenge could result in having to carry out the steps in 3.2 anyway which could significantly delay progress on the site. Starting the process now means the majority of the six months occurs while the building is still in use and while further work on the options is being carried out so it shouldn't impact substantially on timescales.

6 ISSUES AND RISKS

- 6.1 This report is proposing taking actions which reduces the risk of having a delay in taking forward options for the South Norfolk House site once it is vacated. There are a number of risks outlined below although the Council is under an obligation to obtain Best Value in the disposal of the site and therefore needs to look at alternative uses for the site.
- 6.2 **Resource Implications** – There is a requirement to minimise the period of time between vacating the site (which needs to be completed quickly to avoid dual running costs with the Horizon Centre) and obtaining proceeds from the disposal of the site.
- 6.3 **Legal Implications** – these are considered in the report.
- 6.4 **Equality Implications** – None at this stage.
- 6.5 **Environmental Impact** – None at this stage.
- 6.6 **Crime and Disorder** – None at this stage.
- 6.7 **Risks** – There is the risk that offers are received based on the independent valuation which are lower than the anticipated return in the business case and what could be achieved through acceptable alternative use of the site.

7 CONCLUSION

- 7.1 There is a requirement to resolve the future of the South Norfolk House site at pace to ensure best value for taxpayers and to comply with planning policy as part of the process. Beginning the marketing of the site now to comply with planning policy DM2.2 will ensure this is achieved.

8 RECOMMENDATIONS

- 8.1 Cabinet are asked to approve:

- 8.1.1 The marketing of South Norfolk House in accordance with planning policy DM2.2 of the South Norfolk Local Plan
- 8.1.2 The delegation to the Director Resources, in consultation with the Leader of the Council to obtain an independent valuation to inform the valuation that has to be agreed with Planning Officers in advance of the marketing, as required by planning policy

Background Papers

Extraordinary Council Meeting 16 May 2022 Future Office Accommodation Project – Appraisal and Business Case