Guildford Borough Council		
Report title: Asset Disposal Programme - 1 Sydenham Road, Guildford and Castle Square Car Park		
Report to: Executive		
Date: 8 October 2026		
Executive Portfolio Holder: Cllr Phil Bellamy , Lead Councillor for Finance **Contact Email:** phil.bellamy@guildford.gov.uk		
Report of Strategic Director: Jo Knight, Joint Strategic Director of Finance and Resources (s.151) **Contact Email:** jo.knight@guildford.gov.uk		
Report author(s): Peter Hall, Asset Disposal Surveyor **Contact Email:** peter.hall@guildford.gov.uk		
Wards affected: Castle **Ward councillors informed:** Yes		
Exempt from publication: Partially		
Key Decision: Yes	**If a Key Decision, date registered on Forward Plan:** 7 September 2026	
S24 Specific Consent Required from Shadow Executive: Yes		
Report cleared for publication by:		
Finance	Candice Keet	07.09.2026
Legal	Trusha Lukha	07.09.2026
Governance & exempt content	Deborah Davies	10.09.2026
Human Resources	Jo Knight	9th September 2026
Equalities	Jo Knight	9th September 2026
Strategic Director	Jo Knight	9th September 2026
Democratic Services	John Armstrong	2 September 2026
Executive Portfolio Holder final consultation		16 September 2026

1. Executive Summary

1.1 The Council set a target, as part of an ongoing mitigation strategy, of capital receipts from the disposal of property assets held within the General Fund of which £20m (net) was targeted to be received by March 2027.

1.2 As at 31 August 2026, the current running total of capital receipts so far delivered by the Asset Disposal Programme is £9.565 million as part of the WUV Mitigation Programme. There are further live disposals currently in the legal process which will likely reach completion in the 2026-27 Financial Year.

1.3 This is an identified critical workstream within the Financial Recovery Plan endorsed by Full Council at its meeting on 30 August 2023.

1.4 This report details a recommendation to the Executive to approve the freehold disposal of the asset at 1 Sydenham Road, Guildford, together with the Castle Square car park to the rea in line with the Asset Disposal Strategy approved by the Executive on 18 April 2024.

2 Recommendations:

2.1 That the Executive resolves to:

2.1.1 **Delegate authority to the Director of Assets and Property, in consultation with the Portfolio Holder for Finance and the Joint Strategic Director for Finance and Resources, to market for sale and agree terms for a disposal of 1 Sydenham Road, Guildford, together with Castle Square Car Park, at best consideration, subject to consent from West Surrey Shadow Authority and subject to a minimum sale figure as referenced in section 3.0 of exempt Appendix 2; and**

2.1.2 **Recommend the proposed transaction to the West Surrey Shadow Executive for approval in accordance with the requirements of the Section 24 Direction and the General Consent Order.**

3 Reason for recommendation:

3.1 To enable the Council to generate capital receipts through the sale of approved property and land assets to contribute to the target, as set out in the Financial Recovery Plan to reduce Council debt and to achieve a sustainable financial position.

4 Next steps

4.1 Officers will undertake an appropriate procurement exercise for the appointment of external agents, to commence marketing for sale of the asset via the open market.

5 Exemption from publication

5.1 Part of this report is exempt from publication.

5.2 The content of Appendix 2 - Summary Property Report (Part B) and Appendix 3 – Financial Review is to be treated as exempt for the purposes of the Council's Access to Information Procedure Rules due to its commercial sensitivity and is therefore exempt by virtue of paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 as follows:

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

5.3 The content is restricted to all councillors.

5.4 It is likely that the exempt information can be expected to be made available for public inspection on completion of the sale

6 Background and Proposal

6.1 The purpose of this report is to request approval for the disposal of the Council owned asset at 1 Sydenham Road, Guildford together with the rear car park and authorise the Joint Director of Assets and Property to market the asset and approve the disposal at best consideration, entering into all relevant legal documentation to complete the sale.

6.2 The property comprises a semi-detached Grade II listed building comprising basement and ground floor retail shop with a residential flat split over two floors above, located close to the town centre, as described more fully in the accompanying

Summary Property Report (Appendix 1). Two car parking spaces are demised to the lessee in the car park to the rear of the shop, which provides an additional 7 spaces that are contract let through the Parking team.

6.3 The Financial Recovery Plan endorsed by the Council at its meeting on 30 August 2023 included a workstream to review the Council's property assets and consider those which could be suitable for disposal to help reduce the Medium Term Financial Plan (MTFP) budget gap.

6.4 Supplementary background information to this programme can be found in Background Paper – The Asset Disposal Strategy as approved by the Executive on 18 April 2024.

7 Links to our Strategic Priorities

7.1 The proposed disposal of this asset as part of the Asset Disposal Programme aligns with the Council's key priority to be a resilient and well-managed council. The capital receipt generated from the disposal of the property for the General Fund will contribute towards the Council's finances, reducing its debt repayments and borrowing requirements.

8 Opportunities for Collaboration and Local Government Reorganisation implications

8.1 The Surrey (Structural Changes) Order 2026 ("the Order") came into effect on 10 March 2026. The Order places certain duties on the Council with effect from 10 March 2026 through to Vesting Day on 1 April 2027. Following the making of the Order, the Secretary of State for Housing, Communities and Local Government issued guidance to the Council advising that it should now, amongst other things, be exercising its functions to further the purposes of the Order.

8.2 For the purposes of this report, this means that the Executive needs to be satisfied that the activities to be approved are necessary and proportionate for ensuring continued service delivery up to (and beyond) the transfer of its functions to West Surrey Council. Officers are satisfied this is the case because the sale of the asset will deliver a capital receipt.

9 Consultation

9.1 Officers have confirmed that ownership of the assets is to be considered non-essential and they do not feature in longer-term strategies, therefore they can be considered for disposal.

9.2 Consultations have taken place with the Lead Councillor for Finance and Resources and other relevant Councillors regarding the proposed disposal of these assets, and the recommendation to proceed with their proposed disposal has been endorsed by the Lead Councillor.

9.3 Summary Property Reports (attached as Appendices 1 and 2 to this report) have been prepared. Officers in the Council's Legal and Planning services have been consulted. Legal Services have completed a review of the legal title to provide a summary of any restrictive covenants or potential encumbrances on the land. Planning Services have provided advice on development potential to enable robust consideration to be given to the commercial implications.

9.4 The Summary Property Report sets out any practical property considerations to be dealt with as part of the disposal of these assets. Summary Property Report Appendix 2 includes information on an independent RICS (Royal Institution of Chartered Surveyors) Red Book valuation prepared by an external firm of surveyors appointed to act on the Council's behalf and who has expert local knowledge in the sector.

9.5 Officers will keep Ward Councillors informed of progress for the assets being considered for disposal.

10 Key Risks

10.1 The Key Risks identified are that the asset, following marketing, does not sell or achieve bids at the level of the valuations. Each of these scenarios could result in the targeted capital receipts not being realised by the end of March 2027 and the overall net proceeds target subsequently not being achieved.

10.2 Encumbrances are identified that may frustrate or prevent the sales concluding. To mitigate this risk, the Council will obtain a

report on title for each asset and identify any potential encumbrances which may impede a sale completing or may impact on achieving the market valuation ahead of the asset being marketed.

11 Options

11.1 Option 1 - Do nothing and adopt a business as usual approach to these assets continuing to receive rental income in the short term from the current tenant of 1 Sydenham Road, together with contract parking revenue of £21,450 per annum. This option will not generate a capital receipt to contribute towards the targeted capital receipts and is also likely to result in the Council incurring future capital expenditure and/or revenue loss to manage the building asset in the future.

11.2 Option 2 (Recommended) – To proceed with the freehold disposal of the asset at 1 Sydenham Road, Guildford together with the rear car park for a capital receipt as detailed at section 3.0 of the Summary Property Report Appendix 2 appended to this report. This option is expected to achieve a capital receipt to contribute towards the target set to mitigate the MTFP gap.

12 Issues for consideration

12.1 Financial implications

12.1.1 The proposed disposal of this asset will contribute towards the Council's goal of generating capital receipts and will directly support the Council's ability to close the financial gap identified in the Medium-Term Financial Plan (MTFP) and reduce overall debt.

12.1.2 Exempt Appendices 2 and 3 provide information on the financial appraisal.

12.1.3 All costs incurred including consultancy fees, agent’s fees for valuation/marketing and legal costs will initially be funded from the Council’s General Fund revenue budget and then subsequently financed from the proceeds from sales. These expenses are essential to ensure the disposals are managed efficiently and in compliance with regulations. Sufficient revenue funds have been set aside to accommodate these initial costs. The capital receipts will be utilised to offset the

budgetary pressures, ensuring financial stability over the medium term.

12.1.4 The capital receipt generated from this disposal will be used to offset existing borrowing or reduce the need for additional borrowing by the Council. The cost of borrowing is measured both on the interest on the loans and the Minimum Revenue Provision (the value of the asset apportioned over the life of the asset).

12.1.5 Other considerations such as the potential for future income received from these investment assets to be increased, future liabilities (such as maintenance) and the potential of future growth in capital values have been considered.

12.1.6 The asset generates an ongoing revenue income totalling £41,950 which contributes to the General Fund and this has been considered within the financial analysis and supporting appendix. Whilst the property produces a positive annual financial return, the Council has also incurred significant expenditure on repairs and maintenance over the last five years. Although historic expenditure is not necessarily indicative of future costs, it demonstrates that the overall financial benefit of ownership may be lower than the headline income position alone would suggest. In addition, the Council retains responsibility for insurance, structural repairs and external maintenance, resulting in continued financial exposure should the asset be retained.

12.1.7 Disposal would remove future liabilities associated with ownership, including repair, maintenance and asset management costs, as well as reducing exposure to income risk associated with an occupier holding over on an expired lease. The anticipated financial benefits of disposal are set out within the exempt Appendix 3. However, delays in completion or a failure to achieve the anticipated financial outcome could reduce those benefits and may require alternative funding arrangements to support the Council's wider capital programme and financial strategy.

12.1.8 The Secretary of State issued a direction under s24 Local Government and Public Involvement in Health Act 2007 (the “s24 Direction”) which requires that Guildford Borough Council, Runnymede Borough Council, Surrey Heath

Borough Council, Waverley Borough Council, and Surrey County Council (in so far as decisions affect the West Surrey area) obtain the written consent of the executive of the West Surrey Shadow Authority (the "Shadow Executive") before entering into certain contracts or completing certain land disposals. The purpose of the s24 Direction is to ensure that the Shadow Executive considers and approves land disposals or contracts that will become the responsibility of West Surrey Council, and to ensure that West Surrey Council is in the best possible financial position on vesting day (1 April 2027).

12.1.9 At its meeting on 9 June 2026 and 21 July 2026, the Shadow Executive agreed to give some General Consents to the outgoing West Surrey Councils to allow them to continue to undertake certain matters. The matters which fall within the definitions of the General Consents can proceed in the normal way and require no further consent to be obtained. Nevertheless, in these cases it is expected that the outgoing West Surrey Councils will ensure that contracts and agreements allow the maximum flexibility to the new West Surrey Council to achieve future economy, efficiency and effectiveness. Decisions made under the General Consents will be reported to the West Surrey Council Executive.

12.1.10 Where matters fall outside the definition of the General Consents then the consent of the Shadow Executive will be required if the contract/land disposal is not to be void.

12.1.11 The proposed transaction constitutes a disposal of an interest in land and therefore falls within the scope of the Section 24 Direction. Due to the aggregation provisions within the Direction, the cumulative £100,000 threshold for land disposals has already been exceeded and the transaction is accordingly subject to the S24 consent regime. The proposal does not fall within any of the categories covered by the General Consent. Therefore, specific consent from West Surrey Shadow Authority will be required.

12.2 Legal implications

12.2.1 Supplementary information relating to the legal implications of disposing of an asset can be found in Background Paper – The Asset Disposal Strategy as approved by the Executive

on 18 April 2024. The specific legal implications relating to the sale of the asset is contained within the Summary Property Report Appendix 1, and legal advice has been sought on the transaction.

12.2.2 There are various powers available to the Council when disposing of land and the power being exercised will depend on the purpose for which the land is held. There are different requirements for disposals depending on the power being relied upon.

12.2.3 The general power of disposal is section 123 of the Local Government Act 1972 which gives the Council the power to dispose of land held by it in any manner it wishes provided that the Council achieves the best consideration that can reasonably be obtained. Whilst there is no specific guidance as to how best consideration should be assessed there should be evidence to show that this has been evaluated and is being achieved. This assessment is set out in the individual Summary Property Report.

12.2.4 As set out in the report the Assets team have considered that the proposal, including those set out in Exempt Appendices 2 and 3, achieve best consideration.

12.3 Human Resources and Equality and Diversity Considerations

12.3.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

(a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
(b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
(c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

12.3.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil

partnership, race, religion or belief, sex, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

12.3.3 The Equalities Comprehensive Impact Assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

12.3.4 This duty has been considered in the context of this report and it has been concluded that there are no equality and diversity implications arising directly from this report.

12.4 Climate Change / Sustainability Implications

12.4.1 Leased sites do contribute to Guildford Borough Council's climate impact through Scope 3 emissions. However, reporting requirements for leased assets within GBC's scope 3 emissions inventory are still being developed and are therefore not currently included in our reportable greenhouse gas (GHG) emissions. GBC will continue to work with tenants through contract management arrangements to improve emissions reporting and understanding of these impacts.

12.4.2 Internal Carbon Pricing is not applicable in respect of this report.

13 Overview & Scrutiny Comments

13.1 Not applicable

14 Suggested issues for Overview & Scrutiny

14.1 None

15 List of Appendices

15.1 Appendix 1 - Summary Property Report – 1 Sydenham Road, Guildford

15.2 Appendix 2 – Summary Property Report – 1 Sydenham Road, Guildford (EXEMPT)

15.3 Appendix 3 – 1 Sydenham Road - Financial review for disposal (EXEMPT)

16 List of Background papers

16.1 West Surrey Shadow Authority Executive – 9 June 2026

Agenda Item 7 - Section 24 and General Consents.pdf

16.2 West Surrey Shadow Authority Executive – 21 July 2026

https://moderngov.woking.gov.uk/documents/b9386/Agenda%20Item%2014%20-%20Section%2024%20Decisions%2021st-Jul-2026%2010.00%20West%20Surrey%20Shadow%20Authority%20Executive.pdf?T=9

16.3 Asset Disposal Strategy approved by the Executive on 18 April 2024.

16.4 Weyside Urban Village: Financial Mitigation Options approved by Full Council on 29 July 2025