

REPORT FOR DECISION



DECISION MAKER:	CABINET
DATE:	18 DECEMBER 2013
SUBJECT:	SURPLUS LAND AND PROPERTY DISPOSAL STRATEGY
REPORT FROM:	LEADER OF THE COUNCIL
CONTACT OFFICER:	ALEX HOLLAND (HEAD OF PROPERTY & ASSET MANAGEMENT)
TYPE OF DECISION:	KEY DECISION
FREEDOM OF INFORMATION/STATUS:	This paper is within the public domain
SUMMARY:	This report outlines the keys points of a proposed strategy for the disposal of all land and property which is surplus to the requirements of the Council. A copy of the strategy is attached to this report.
OPTIONS & RECOMMENDED OPTION	<p>Option 1 To approve the contents of the strategy and specifically the ring fencing of a proportion of the capital receipts arising from the sale of property assets. It is proposed that the lesser of 25% of net capital receipts (receipts less direct disposal costs), or £100,000, obtained from the disposal of each surplus property will be reinvested in a property fund.</p> <p>Option 2 To approve the contents of the strategy, but not the proposed ring fencing of a proportion of capital receipts.</p> <p>Option 3 Not to approve either the contents of the report or the proposed ring fencing of receipts.</p> <p>Cabinet is recommended to approve Option 1.</p>
IMPLICATIONS:	
Corporate Aims/Policy Framework:	Do the proposals accord with the Policy Framework? Yes
Statement by the S151 Officer: Financial Implications and Risk Considerations:	<p>A robust disposals strategy is essential to ensure the Council makes optimum use of its asset base; identifying assets that are high cost, under-utilised, under-performing, or simply surplus to requirements.</p> <p>The proposed reinvestment of a proportion of receipts ensures a robust and sustainable approach to asset management going</p>

	forward.
Statement by Executive Director of Resources:	<p>It is essential that the Council makes best use of all assets including property and the aims of the proposed disposal strategy, to ensure that a strategic and corporate approach is taken to the holding, and disposal, of land and property are welcomed.</p> <p>It is also essential that area based approach is taken to public sector assets and so surplus Council assets will be offered to Team Bury partners and it is hoped that a reciprocal approach will be taken by those partners.</p>
Equality/Diversity implications:	None
Considered by Monitoring Officer:	Yes Comments
Wards Affected:	All
Scrutiny Interest:	Overview and Scrutiny

TRACKING/PROCESS

DIRECTOR:

Chief Executive/ Strategic Leadership Team	Cabinet Member/Chair	Ward Members	Partners
11.11.2013	yes		
Scrutiny Committee	Cabinet	Council	
	18.12.2013		

1.0 INTRODUCTION

1.1 The strategy essentially seeks to introduce a formal process for:

- the declaration of surplus assets
- the consideration of alternative uses for those assets by the Council and Team Bury partners
- corporate decision taking over the retention or disposal of assets, based upon objective business cases.

1.2 The proposed strategy has been considered and approved by the Property Strategy Group, at its meeting of 11th October, and subsequently by the Strategic Leadership Team, at its meeting of 11th November.

2.0 THE NEED FOR A STRATEGY

2.1 Historically when land and property assets have been deemed to be surplus to requirements they have been passed to the Estates team to sell, or used by the same department for another purpose. While these informal arrangements have ensured that assets are not simply left unused, they do not, however,

provide for decision making to be undertaken at a corporate level where an overview can be taken on potentially competing objectives.

- 2.2 While a capital receipt would be generated by the sale of a property asset on the open market, there may be a greater priority for it to be used by another service within the Council. Similarly, the Council's strategic objective to encourage the supply of affordable housing, either for sale or to let, may in some circumstances dictate that land should be transferred directly to a Registered Social Landlord and for less than market value.
- 2.3 The ongoing need to rationalise the Council's property portfolio, in order to reduce revenue costs, has increased the pace of land and property disposals considerably. This has highlighted the need for both improved information on disposal/re-use options to be provided, to aid the decision making process, and for those decisions to be taken at a more corporate level. The strategy provides a more structured approach for taking of decisions based upon objective criteria, where the benefits and opportunity costs of all of the available options are fully considered.

3.0 KEY POINTS OF THE STRATEGY

3.1 A copy of the strategy is attached to this report, however the key points are:

- Services are encouraged to look critically at their use of property and, where possible, to release such assets for disposal.
- Where properties have been declared surplus, their interim management will be undertaken by the Estates team and the ongoing running costs associated with such properties transferred accordingly.
- The Head of Property & Asset Management will circulate details of released properties, including an assessment of market value, to members of the Council's Property Strategy Group and Team Bury partners. Expressions of interest in taking the property are to be submitted within a relatively short period of time, to be followed by a business case *for the Council*.
- These business cases will be considered by the Leader of the Council, the Chief Executive and the Executive Director for Resources and a decision taken over the most favourable option for disposal, or re-use.
- In the event that no expressions of interest are received, or that the business cases are not sufficiently robust, there will be a presumption towards selling the property on the open market.
- It is proposed that the lesser of 25% of net capital receipts (receipts less direct disposal costs), or £100,000, obtained from the disposal of each surplus property will be reinvested in a property fund. These monies will be used to establish a fund for major capital repairs and improvements and green energy initiatives.

4.0 CONCLUSION

4.1 The strategy seeks to improve upon current arrangements for the disposal of land and property, or their re-use for other purposes, and provides a framework for informed decisions to be taken at a corporate level.

**COUNCILLOR MIKE CONNOLLY
LEADER OF THE COUNCIL**

Background documents:

The attached strategy paper.

For further information on the details of this report, please contact:

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