

13 September 2023		ITEM: 13 Decision: 110667
Cabinet		
Asset Disposals Programme – Recommended next tranche of properties for disposal		
Wards and communities affected: All Wards	Key Decision: Key	
Report of: Rob Large, Programme Director Asset Disposals		
Accountable Assistant Director: N/a		
Accountable Director: Mark Bradbury, Director of Place		
<p>The Report is Public with exempt appendices</p> <p>Appendices 1, 2 and 3 contain exempt information which falls within schedule 12A of the Local Government Act 1972 - <i>Information relating to the financial or business affairs of any particular person (including the authority holding that information)</i>. In all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>		
Date of notice given of exempt or confidential report: 5 September 2023		

Executive Summary

This report seeks Cabinet Approval for a tranche of Property Assets to be placed on the market and sold, in line with the Improvement and Recovery Plan.

- 1. Recommendation(s)**
 - 1.1 We recommend that the attached schedule (Exempt) of property assets are now put on the market and sold.**
 - 1.2 This recommendation for disposal is following recommendation by Strategic Property Board and Finance Recovery Board (FRB). Cabinet will delegate authority to agree the method and terms of disposals to the Director of Place in consultation with Property Board and FRB.**
- 2. Introduction and Background**
 - 2.1 The December 2022 Cabinet approved the Disposals Strategy of a report dated 25th November 2022.

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2.2 The dedicated Asset Disposals team is in place and has assets previously approved on the market for disposal. This tranche is the next identified for disposal with the intention to complete sales and achieve resultant capital receipts during the current financial year.

3. Issues, Options and Analysis of Options

3.1 These properties will be marketed by Commercial Property agents. This tranche comprises properties where sales at good prices can be achieved within the current financial year. This is following due diligence by the Asset Disposals team and advisors.

3.2 Avison Young, a leading firm of Property Consultants are also undertaking an independent review of the majority of the council's property assets which will assist and inform the Asset Disposals team in bringing forward the next tranches of assets for disposal approval in the coming months.

4. Reasons for Recommendation

4.1 These property disposals are required to meet the capital receipts required in 23/24 under the Improvement and Recovery Plan.

5. Consultation (including Overview and Scrutiny, if applicable)

5.1 This report will have undertaken full consultation processes including Corporate Scrutiny.

5.2 The process also includes Strategic Property Board, Place DMT, and FRB.

6. Impact on corporate policies, priorities, performance and community impact

6.1 These disposals are required as part of the IRP.

6.2 Where the properties have a rental income, best value analysis has been carried out to ensure best value in disposals accounting for loss of income and any other related matters.

7. Implications

7.1 Financial

Implications verified by: **Mark Terry**
Senior Financial Accountant

As part of the Improvement and Recovery Plan, capital receipts generated from the asset sales will be utilised to help reduce our outstanding debt level, with a reduction in future year MRP, borrowing and interest costs.

This tranche of property sales will produce capital receipts in the order of £16 million, to be added to the current proposed capital receipts of £30 million giving a total of £46 million in '23/24. This allows for a margin for any delayed real estate transactions whilst giving a reasonable assurance of reaching the current budgeted capital receipts, in accordance with the approved budget and plan, for the current financial year of £42 million of capital receipts from asset disposals.

7.2 Legal

Implications verified by: **Helen Graydon**
Principal Property Lawyer

The Council has a legal duty under section 123 Local Government Act to secure the best consideration reasonably obtainable when it disposes of property unless it has the consent of the Secretary of State. The Secretary of State has given a general consent for local authorities to dispose of property at an undervalue of up to £2m where the disposal is for the promotion or improvement of the economic, social or environmental well-being of its area (the 'Local Government Act 1972: General Disposals Consent 2003'). A disposal of property at an undervalue can still amount to a public subsidy so there remains a need to ensure compliance with the provisions of the Subsidy Control Act 2022.

The valuation assessments contained in the Schedule of Disposals appended to this Report have been made by the Council's appointed valuers and must be achieved to satisfy the requirements of Section 123.

7.3 Diversity and Equality

Implications verified by: **Rebecca Lee**
Team Manager - Community Development Team

The proposals for disposal set out in this have been developed with due regard to the council's Disposals Policy and in line with the Improvement and Recovery Plan. Properties approved for sale will be available for purchase on the open market.

7.4 Other implications (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder, and Impact on Looked After Children

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None

8. Background papers used in preparing the report:

None

9. Appendices to the report (all exempt Part 2)

- Cabinet September 2023 - Schedule of Property Assets for Disposal
- Cabinet September 2023 – Property Assets Information
- Cabinet September 2023 - Best Value Considerations

Report Author:

Rob Large

Programme Director, Asset Disposals

Asset Disposals Team, Place Directorate

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