

<b>17 July 2024</b>		<b>ITEM: 22</b> <b>Decision: 110733</b>
<b>Cabinet</b>		
<b>Asset Disposals Programme – Recommended next Tranche of Properties for Disposal</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Key	
<b>Report of:</b> Cllr S Muldowney, Cabinet Member for Resources		
<b>Accountable Assistant Director:</b> Rob Large, Programme Director Asset Disposals		
<b>Accountable Director:</b> Dawn Calvert – Chief Financial Officer S151		
<b>This report is</b> Public with an exempt Appendix. Appendix 2 is not to be published by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 because it contains exempt information as set out in category 3 as the report contains information relating to the financial or business affairs of any particular person(including the authority holding that information).		
<b>Version: Final / Cabinet</b>		
<b>Date of notice given of confidential or exempt report:</b> 9 July 2024		

## **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.

### **Commissioner Comment:**

To be included at the appropriate date.

- 1. Recommendation(s)**
  - 1.1 Cabinet recommend that the attached schedule of property assets is 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 Chief Financial Officer S151 in consultation with the Leader.**
- 2. Introduction and Background**

- 2.1 The December 2022 Cabinet approved the Disposals Strategy of a report dated 25<sup>th</sup> November 2022.
- 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.
- 2.3 The Asset Disposals target for the current financial year is set at £34.7m. Currently the forecast (as distinct from the target) is £32.8m, which has changed as assets have been removed or values changed. The Asset Disposals Team is currently working on bringing forward additional assets to bring the forecast back on target.
- 2.4 The current figure of £32.8m (51 assets) comprises:
  - Currently on the market or going to Auction £9.74m.
  - Currently approved for disposals (Including properties submitted this July Cabinet for approval) but not yet on the market (for technical legal and property due diligence reasons) £16.97m
  - Currently not on the market and awaiting either service area input and / or resolution of legal / real estate issues £6.09m.

### **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. This is following due diligence by the Asset Disposals Team and Avison Young, a leading firm of Property Consultants.

### **4. Reasons for Recommendation**

- 4.1 These property disposals are required to help meet the capital receipts required in 24/25 under the Improvement and Recovery Plan.

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

- 5.1 This report will have undertaken full consultation processes. *This may not include Corporate Scrutiny.*
- 5.2 The process also includes *Strategic Property Board*, Finance DMT, SLT and FRB.

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

- 6.1 These disposals are required as part of the IRP.

### **7. Implications**

#### **7.1 Financial**

Implications verified by: **Mike Jones**  
**Assistant Director – Strategic and Corporate Finance**  
**25<sup>th</sup> April 2024**

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 to contribute towards the current proposed total capital receipt of £34.7 million for 2024/25. This target was set as part of the MTFs which was presented to full Council as part of the 2024/25 budget setting process.

Currently the forecast (as distinct from the target) is £32.8m as assets have been removed or values changed. The Asset Disposals Team constantly works on bringing forward additional assets to bring the forecast back on target.

## 7.2 Legal

Implications verified by: **Helen Graydon**  
**Principal Property Lawyer**  
**25<sup>th</sup> April 2024**

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: **Roxanne Scanlon**  
**Community Engagement and Project Monitoring Officer**  
**25<sup>th</sup> April 2024**

The proposals for disposal set out in this report 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 following dialogue with current lease holders where relevant.

## 7.4 Risks

The main risks to the successful delivery of the targeted capital receipts are:

- Changes in the economic and political outlook.
- Legal and real estate issues arising following further detailed due diligence.
- Real estate transaction setbacks.

These will be mitigated as much as possible by the Assets Disposals Team and property consultants.

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

Non relevant.

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

Avison Young strategic marketing reports for the individual properties listed. These are exempt and held on the Asset Disposal's team data system.

9. **Appendices to the report**

1. Cabinet July 2024 – Schedule of Disposals with Guide Prices
2. Cabinet July 2024 – Schedule of Disposals, Estimated Capital Receipts (exempt)
3. Cabinet July 2024 – Property Assets Information
4. Cabinet July 2024 – Financial Implications of sales of property assets and Best Value Consideration

**Report Author:**

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