

7 July 2021		ITEM: 12 Decision 110568
Cabinet		
Asset Review & Disposals		
Wards and communities affected: All Wards	Key Decision: Key decision	
Report of: Councillor Mark Coxshall, Cabinet Member for Regeneration, Strategic Planning and External Affairs		
Accountable Assistant Director: Michelle Thompson – Acting Assistant Director of Property		
Accountable Director: Sean Clark – Corporate Director of Resources and Place Delivery		
This report is public		

Executive Summary

This report sets out proposals for the disposal of property assets. It is government policy that local authorities should dispose of surplus and under-used land and property wherever possible.

The Council has fairly wide discretion to dispose of its assets (such as land or buildings) in any manner it wishes. When disposing of assets, the Council is subject to statutory provisions, in particular, to the overriding duty, under section 123 of the Local Government Act 1972, to obtain the best consideration that can be reasonably obtained for the disposal. This duty is subject to certain exceptions that are set out in the General Disposal Consent (England) 2003.

The way the Council manages its land/property assets can have a significant impact both on the quality of services delivered to the public and the local environment. Effective asset management is essential in bringing 'agility' to land and property assets so that the delivery of the Council's visions and objectives are realised in a sustainable manner, at the right time and on budget.

The assets reviewed represent a mix of locations, uses and a variation of those that could be short, medium or long term as well as being disposed of by private treaty, public auction or tender.

The Asset Review considers the business case for disposing of any assets that are no longer of any use to it and is unlikely to be in the future or which provides only a benefit that is proportionate to the opportunity cost of the capital tied up in

the asset. Each asset disposal is treated on its own merits and nothing in this report will bind the Council to a particular course of action in respect of a disposal.

The report also seeks Cabinet approval to declare a number of operational properties surplus to requirements and further reports will be brought back to Cabinet in the Autumn where applicable to discuss the future of the sites and any alternative delivery considerations.

1 Recommendations:

- 1.1 That Cabinet declare the operational properties in 6.6 surplus to requirements and receive a report back, where applicable, on the future of the sites and any alternative delivery consideration;**
- 1.2 That Cabinet approve the immediate release and declare surplus the properties as shown in Appendix 1; and**
- 1.3 Subject to the agreement to release the assets in Appendix 1, delegate authority of the disposal to the Corporate Director of Resources and Place Delivery in consultation with the Leader and the completion of a delegated authority decision report.**

2 Issues, Options and Analysis of Options

- 2.1 In considering any disposal the Asset Review would have considered the assets within Appendix 1 against the table and weightings confirmed in the Cabinet Report of 10 March 2021 which enables the Council to consider the rationale for Reuse, Retain or Release.
- 2.2 This report considers the options available for the properties listed in Appendix 1 which have been assessed as surplus or under-used assets.
- 2.3 A list of assets for potential release continues to be analysed and scrutinised by the Property Team, Planning, Services, property occupiers (where appropriate/applicable) and Members. Further scrutiny would result in the “release list” being evaluated and prioritised according to factors such as:
 - Cost of holding;
 - Potential value from disposal;
 - Ease of /or constraint on sale;
 - Site preparation considerations/de-risking and associated costs; and
 - Any wider economic or social benefit of retaining.

Once this has been assessed further disposals of assets maybe brought forward.

3 Option 1: Do nothing – Retain the assets, Business as usual, little need or opportunity for change identified

- 3.1 These assets have been assessed as needing to be retained to support

Council business in their existing position. However, this is not to say that no further work is required on these premises. They will continue to be maintained and in some instances will require improvement or refurbishment at some future stage. Furthermore, as the review process is established within the Council, their continuing use and occupation will be subject to periodic review and their status

4 Option 2: Reuse – For different services or more intensive or changed use

- 4.1 Many of the assets within this category are subject to ongoing review by the occupying service directorate and it is envisaged proposals will either come forward at the conclusion of those reviews (e.g. leisure, environmental) or through further discussion between the Service and Corporate Property.

5 Option 3 Release - Dispose of the site immediately or develop for housing

- 5.1 A review has been undertaken of the properties listed in Appendix 1 and where they are considered appropriate for development by the Council directly this is noted and further covered in the Housing Delivery Paper. Where not considered appropriate it is recommended that they are released.
- 5.2 A rationalisation programme to continue with the reviewing of assets, releasing those no longer required in a structured manner to realise capital and or support wider regeneration or housing via affordable housing requirements.
- 5.3 Release in some instances will free the Council from poor performing properties from a compliance, economic and statutory requirement.

6 Operational Assets

- 6.1 The cost savings and new revenue from rationalisation of the operational portfolio have been identified as an important contribution to the Council's budget arrangements and a target of £1m revenue savings included within the budget forecasts.
- 6.2 Property as a resource should act as a facilitator and enabler to the Council's service provision and an overarching review of the entire operational estate and initiatives that are being undertaken by several directorates and services will feed into this.
- 6.3 A number of workspace efficiencies have already been identified which contribute to the rationale of this project:
- Smarter Working - Desk Ratios & Decluttering – Decluttering will consolidate the work environment, provide break out areas and touch-down space and permit a new way of working. The Civic Offices are moving to a robust desk ratio as part of a smarter working policy which

will be adopted across the operational estate and will generate savings;

- Co-locations – Identify areas of commonality linked to their operational working practices where sharing of space and back office functions results in economies of scale;
- Hub Strategies/Interim Mini-Hubs – Identify clusters of services that would suit hub-working. Use existing space in offices to create mini-hubs for a phased delivery while we move towards creating the long term solution. The delivery of new hubs may be achieved through rebranding of existing facilities;
- Potential Development Opportunities – releasing surplus buildings and land as a result of rationalisation, for change of use, redevelopment and revenue generation;
- Alternative Delivery Models – A key functions for the Council are the provision of library facilities and sports and leisure facilities both of which form a considerable part of the operational footprint. With technological and industry advances, is there an alternative method of delivery? This does not simply mean closing facilities, but modernising the way in which these services are provided. Reviewing how services can be delivered differently;
- Flexibility – the changing business landscape requires flexible accommodation to support it; and
- Operational Drivers/Considerations.

6.4 The outputs expected are to include:

- Schedule of operational properties and service occupiers;
- Space utilisation - analysis of floor space and how it is occupied;
- Analysis of total occupational costs, per building and per service;
- Opportunities for hub creation in conjunction with new projects being delivered by the WCC Major Projects Team;
- Identify early wins in terms of opportunities for savings;
- Identify co-location opportunities; and
- Identify properties that could be made surplus and categorised for: a) Re-use by services – potential for hub working. b) Commercial letting or sale - proceeds to be recycled.

6.5 Cabinet are asked to consider whether the following assets are surplus to requirements.

- 6.6 Where Cabinet agree that they are surplus to requirements, further reports will be brought back in the Autumn to discuss the future of the sites and any alternative delivery considerations.
- 6.6.1 Bell House Day Care - This property comprises of two commercial shop units that have historically be used as part of the council's Day Care provision. The council is currently reviewing day care provision with a proposal to offer a more comprehensive and higher quality offer on a single site at Cromwell Road. Subject to further consultation and a Cabinet decision in September 2021 on this review, this facility could be released;
- 6.6.2 Corran Way Depot - The building houses a current meal delivery service that is under review and subject to a Cabinet decision in September 2021. The building is not fit for purpose and no longer economical for continued repairs. The building is earmarked for demolition and the site repurposed for development;
- 6.6.3 CO1 Civic Offices – On completion of the Civic Office extension, CO1 will be surplus to requirements and, as previously reported, is earmarked for housing. CO2 is being reviewed to identify the extent that sections can be offered up for commercial opportunities;
- 6.6.4 11A Corve Lane – This former children's home now demolished will provide a suitable site for development. The former building did not make full use of the footprint of the site and was not configurable without considerable cost implications for compliance rectification;
- 6.6.5 Grangewaters – The reprovision of this service is presently being explored and partnership arrangements within current assets considered;
- 6.6.6 Langdon Hill Wardens Cottage, One Tree Hill – The property is to be demolished and left as meadow land; the property is suffering from subsidence and severe structural problems rendering the property unfit for human habitation;
- 6.6.7 Multi Storey Car Park – the council leases spaces in the Grays Multi Storey Car Park at circa £85k per annum. With reducing numbers in the council offices through the agile working programme, there is no longer any need for the amount of spaces secured; this provision will end on 31st July 2021;
- 6.6.8 Richmond Road Campus – Thurrock Adult Community College is in the process of relocating; Stanley Lazell hall has been reprovisioned for the service and a relocation to SEC for some services also undertaken;
- 6.6.9 Riverside Youth Centre – The building is beyond economical repair and is not fit for purpose, provision of services have been relocated to Centenary House, Brennan Road and the Inspire building in Grays; Our new targeted operating model includes relocating our Youth Offending Service into Inspire which provides our Integrated Youth offer.

6.6.10 Stanley Lazell Hall, Dell Road – This building has been reprovisioned for the Thurrock Adult Community College;

6.6.11 Thameside - Current running costs of the building itself – all services within have separate budgets – are in excess of £0.5m and estimated capital costs to refurbish the theatre and carry out all necessary repairs to the building are circa £16m.

The library could move to the Civic Offices and it has already been agreed for the Registrars to relocate in Civic Office extension.

Arts, culture and heritage have an important part to play in place shaping. They also have an important role in supporting economic growth. Over the course of the next few months officers will plan and reposition cultural services and in particular our approach to cultural regeneration to better support the Council's place ambitions. This will include reviewing current cultural services provision and assessing their overall social and economic contribution to regeneration in Thurrock.

Working with partners the council will develop and agree a new shared vision and priorities to support cultural regeneration in Thurrock that is social, economic and physical over the long-term including exploring ways to maximise the power of culture and creativity to support the well-being of individuals and communities as part of an overall programme for economic growth that impacts positively on social change, tackles inequalities and promotes place shaping through creativity.

The Cultural Recovery Fund (CRF) monies were used to put in place measures to prepare the theatre to meet social distancing requirements as well as cleaning and general maintenance. Part of the fund is supporting work to reach new audiences and offer cultural services in a different way including with the purchase of streaming equipment and the small grants programme supporting activity in communities through local arts and cultural events that help build strong and well-connected communities and promote the services the theatre team is able to offer in venues, open spaces and community settings across Thurrock.

Over the course of the next 6 – 9 months officers will work with production companies, local groups, and borough wide facilities including valued community spaces and halls to promote arts and culture in venues across Thurrock. This will support the development of new cultural productions and events, including the use of the theatre's new streaming equipment and green screen to reach new audiences and support groups to maximise the benefit and impact of their work.

7 Reasons for Recommendation

7.1 The sites listed in Appendix 1 have been considered against the criteria above and within the context of the previously agreed decision process and they are considered as Option 1.

- 7.2 The assets recommended for disposal are in the freehold ownership of Thurrock Borough Council. The assets are not required for future service provision or regeneration initiatives and would therefore provide an opportunity for the Council to realise a capital receipt.
- 7.3 The capital receipts will support and assist towards any funding gaps in the MTFS.
- 7.4 The 3Rs programme has also considered operational buildings that are considered surplus and/or uneconomical to maintain and a number of operational buildings are included within this report.

8 Consultation (including Overview and Scrutiny, if applicable)

- 8.1 There has been consultation with services on the proposed assets in Appendix 1. Further reports on the operational assets will be considered by Corporate Overview and Scrutiny in September.

9 Impact on corporate policies, priorities, performance and community impact

- 9.1 Assets that are not required for the delivery of council services directly will add benefit to the residents through alternative ownership be it for additional housing or a community facility.

10 Implications

10.1 Financial

Implications verified by: **Sean Clark**
**Corporate Director of
Resources and Place Delivery**

There are two distinct financial benefits from the disposal of surplus assets. Firstly, assets can incur running costs and so this creates a saving. Secondly, income received from disposal, a capital receipt, can be used to meet the costs of transformational activity and also pay for capital expenditure, thus avoiding the need for prudential borrowing and the associated revenue costs.

The disposals included within this paper will contribute towards the target set out within the budget papers for 2021/22.

Confirming that the Operational Assets included within this report are surplus to requirements will contribute towards the £1m target within the MTFS.

10.2 Legal

Implications verified by: **Ian Hunt**
**Assistant Director of Law and Governance,
and Monitoring Officer**

The Council is generally empowered to dispose of assets which are underperforming or surplus to requirements. Each asset will need to be checked to ensure its formal ownerships and appropriation enable general disposal with terms to be confirmed.

Some of the highlighted sites are regarded as Public Open Space and will be subject to formal public consultation before disposal.

A final analysis of the legal title and terms of disposal will be included in the final disposal decision report.

10.3 Diversity and Equality

Implications verified by: **Becky Lee**
**Team Manager – Community
Development and Equalities**

The Asset Disposal Policy sets out considerations for bringing agility to land and property assets so that the delivery of the Council's goals and objectives are realised in a sustainable manner, at the right time and on budget. The policy itself will be the subject of a Community Equality Impact Assessment to mitigate the risk of negative impact on citizens and communities. Where community assets are identified for disposal, the process set out for the implementation of the CAT Policy and principles of the Collaborative Communities Framework will be applied, this includes the completion of CEIA's on a case by case basis, engagement with the voluntary and community sector, and an assessment of social value that includes support for Thurrock's recovery from COVID-19 and building resilience within communities and voluntary sector networks.

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

Assets are used for a range of purposes including direct service delivery, use by community groups and residents.

11 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):

- There are various working papers within the property and service sections.

12. **Appendices to the report**

Appendix 1 – Asset Review Properties Schedule 2

Report Author:

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