

Report to Cabinet

Report Title	Asset Disposal Report - Recommended next Tranche of Properties for Disposals				
Date of Meeting	Wednesday, 19 March 2025				
Report Author	Rob Large - Assets Disposal Programme Director				
Corporate Director	Dawn Calvert – Chief Financial Officer S.151				
Lead Cabinet Member(s)	Cabinet Member for Resources				
Why is this a key decision?	<table border="0"> <tr> <td>1. Expenditure over £500K</td> <td>No</td> </tr> <tr> <td>2. Significant impact on 2 or more wards</td> <td>Yes</td> </tr> </table>	1. Expenditure over £500K	No	2. Significant impact on 2 or more wards	Yes
1. Expenditure over £500K	No				
2. Significant impact on 2 or more wards	Yes				
Wards Affected	South Chafford				
Identify exempt information and exemption category	3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information) and includes contemplated, as well as past or current activities.				

Is report Urgent?	No
Reasons for urgency (<u>only</u> where applicable)	N/A
Appendices (if any)	<ul style="list-style-type: none"> • Schedule of Assets for Disposal • Property Asset Information – Land at Warren Lane • Schedule of Assets for Disposal – Exempt • Financial Implications of sales of property assets and Best Value Consideration - Exempt

1. Executive Summary

- 1.1 This report seeks Cabinet Approval for one Property Asset to be placed on the market and sold, in line with the Improvement and Recovery Plan.

2. Recommendations

- 2.1 For the reasons set out in this report, the Cabinet is recommended to:
- 2.2 Dispose of the asset known as Land at Warren Lane, Grays.
- 2.3 In respect of Land at Warren Lane, Grays delegate authority to agree the terms of disposal to the Chief Financial Officer S.151 in consultation with the Leader.

3. Commissioner's Comments

- 3.1 Commissioners have seen the report but not made any comments.

4. Proposals – the rationale and evidence for the recommendations

- 4.1 The property disposal is required as part of the capital receipts programme under the Improvement and Recovery Plan.
- 4.2 The December 2022 Cabinet approved the Disposals Strategy within a report dated 25th November 2022.
- 4.3 The dedicated Asset Disposals team is in place and is responsible for bringing assets to the open market for disposal. The asset identified for disposal is listed at Appendix 1.
- 4.4 The property for disposal is known as Land at Warren Lane, Grays. Detailed property asset information is included at Appendix 3.
- 4.5 The Council's property advisors have reviewed the asset and considers it suitable for disposal due to active market demand.
- 4.6 The Asset Disposal Team have reviewed the financial performance and undertaken full due diligence of the asset and considers it suitable for sale. There is no income generated from these assets.

5. Alternative options considered

- 5.1 If the property asset was retained, the Council would still be responsible for the maintenance of the property and this carries a level of risk regarding management costs.
- 5.2 There is no income generated from the asset to assist with the management of the asset or contribution to the Improvement and Recovery Plan.
- 5.3 Retaining the property asset would not contribute capital receipts towards the Improvement and Recovery Plan.

6. Consultation

- 6.1 This report will have undertaken internal consultation processes. The process includes Chief Finance Officer, SLT, Portfolio Holder, Commissioners.

7. Financial Implications

As part of the Improvement and Recovery Plan, capital receipts generated from 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 asset sales (Land at Warren Lane, Grays) will contribute towards the 2025/26 forecast capital receipts of £34.176m.

Implications Verified by: Jasbir Kaur Sandhu (Head of Financial Strategy and Planning)

Date: 10 March 2025

8. Risk Implications

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.

9. Legal and Governance Implications

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.

Implications Verified by: Helen Graydon

Date: 8th January 2025

10. Equality and Diversity Implications (including the public sector equality duty)

The proposal for disposals of assets within this report does not contain any public open space or land with public access.

There are no direct implications from this report. The proposal for disposals of assets within this report does not contain any public open space or land with public access.

Implications Verified by: Natalie Smith

Date: 8th January 2025

11. Other Relevant Implications

None Relevant.

12. Background Documents

None

To be completed if you do not need an Equality Impact Assessment.



Relevance Check

Budget Reduction/Service Area: Finance – Asset Disposals Team

Service Lead – Rob Large, Programme Director for Asset Disposals

Date: 7th January 2025

In what ways does this Budget reduction have an impact on an outward facing service? How will the service feel different to your customers or potential customers?

N/A

If not, how does it impact on staff e.g. redundancies, pay grades, working conditions? Why are you confident that these staff changes will not affect the service that you provide?

N/A

Is a Customer Impact Assessment needed? No