
Meeting: Executive
Date: 6 November 2012
Subject: Assets Disposals List
Report of: Cllr Maurice Jones, Deputy Leader and Executive Member for Corporate Services

Summary: The report proposes that Executive delegate authority to Alan Fleming, Service Director Business Services, in consultation with Councillor Maurice Jones, to dispose of all of the properties on the Assets Disposals List, attached as exempt Appendix A, at the best values obtainable.

Advising Officer: Alan Fleming, Service Director, Business Services
Contact Officer: Peter Burt, Head of Strategic Assets
Public/Exempt: Appendix A exempt under paragraph 3 as it contains sensitive financial information
Wards Affected: All
Function of: Executive
Key Decision Yes
**Reason for urgency/
exemption from call-in
(if appropriate)** N/A

CORPORATE IMPLICATIONS

Council Priorities: The capital receipts will support all of the Council's Priorities

The Capital receipts from the Disposals List will support all of CBC's Priorities:

- Supporting and caring for an ageing population
- Educating, protecting and providing opportunities for children and young people
- Managing growth effectively
- Creating safer communities
- Promoting healthier lifestyles

Financial:

1. The Capital Receipts will support the Medium Term Financial Plan and the Capital Programme.
2. Finance have been provided with a copy of the Disposal List.

Legal:

3. The Council has power under section 123 of the Local Government Act 1972 to dispose of land it holds. Normally, such disposals must take place at the best price that can reasonably be obtained.
4. The conveyancing team are aware of the Disposals List and the work is programmed into their forward plan.

Risk Management:

5. If the disposals do not proceed the following risks have been identified:
 - a. Non delivery of Corporate Asset Management Strategy (CAMS) and Disposal Strategy.
 - b. Failure to realise capital receipts.
 - c. Failure to support the Medium Term Financial Plan and the Capital Programme.
 - d. Consequential failure to deliver Council priorities.

Staffing (including Trades Unions):

6. Not Applicable.

Equalities/Human Rights:

7. Public authorities have a statutory duty to advance equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations.
8. As part of the process of disposal, consideration is given to the potential future use of the property and whether it might be appropriate for transfer as residential accommodation to the Housing Revenue Account (HRA).

Public Health:

9. During the period from becoming surplus to completion of a sale Assets use their endeavours to make the properties secure and safe.

Community Safety:

10. The Council has a duty to consider community safety in all of the functions that it exercises. Whilst the actual disposal of the properties has no immediate community safety issues, the council must ensure that it meets its statutory duties by ensuring that the site remains secure and appropriate interventions are put in place to ensure that the site is not used for criminal or anti social behaviour.

Sustainability:

11. Selling the properties will, with refurbishment and redevelopment, bring them back to use for the community and provide additional housing. S106 agreement and infrastructure requirements will be negotiated by the planning team. When sold, these properties will no longer be counted in the Council's Carbon Reduction Commitment (CRC) burden, reducing the amount payable by the Council in the CRC carbon tax.

Procurement:

12. Where we seek to employ an agent to assist with the sale we carry out a tender process to find the most efficient result.

Overview and Scrutiny:

13. To be considered by Customer and Central Services Overview and Scrutiny Committee on 23 October 2012.

RECOMMENDATIONS:

The Executive is asked to approve:

1. **the disposal of the properties included in the Assets Disposal List as shown in the exempt Appendix A and to authorise the Service Director, Business Services, in consultation with the Executive Member for Corporate Services, to approve the terms of disposal and allow up to a minus of 10% of the estimated value on £250,000 whichever be the greater with no upper limit; and**
2. **the transfer of suitable residential properties to the HRA .**

*Reason for Recommendations: So that completion of the disposals can be effected sooner and more efficiently and to avoid having to come back to Executive every time a sale is likely to exceed £500,000.
To allow the early use of suitable residential property by HRA and to save the General Fund 4% of the value of the properties transferred although eliminating a capital receipt.*

Executive Summary

14. The Assets Disposals List (ADL) covers all current properties surplus to the requirements of services and available for disposal for the period 2012-2017.
15. It is recommended that these properties are disposed of to achieve the best value for money and to realise the capital receipt as soon as possible.
16. Under the Constitution only properties with a value in excess of £500,000 have to be brought to Executive for approval and it is for these properties that the delegation is required and Executive will be asked to give their approval to a disposal at best value but in advance of a sale being agreed.

17. Three properties on the ADL were very suitable for transfer to the HRA and would enhance their property portfolio whilst it was considered would not reduce the capital receipts to the General Fund. It has now been established that whilst HRA is a separate account its balance sheet is amalgamated with CBC's at the year end and is not therefore eligible as a capital receipt to the General Fund.
18. However, other financial benefits will be delivered to the General Fund (GF) as the Capital Financing Requirement (CFR) will be reduced by the certified value of the property. This will result in a reduced requirement for Minimum Revenue Provision (MRP), saving the Council 4% of the certified value annually. In addition the use of these assets by the HRA could deliver savings to the GF as a result of reduced temporary accommodation costs.
19. It is recommended that in circumstances that deliver surplus assets suitable for the HRA that these properties continue to be transferred to HRA despite there being no capital receipt for the General Fund that could be delivered through a sale by private treaty to the community at large.

Appendices:

Appendix A – Assets Disposal List (Exempt)