



Cabinet

15 July 2020

Report of: Councillor Ronnie de Burle -
Portfolio Holder for Corporate
Finance and Resources

Draft Asset Disposal Policy

Corporate Priority:	Delivering sustainable and inclusive growth in Melton
Relevant Ward Member(s):	All
Date of consultation with Ward Member(s):	
Exempt Information:	No
Key Decision:	No
Subject to call-in:	No

1 Summary

1.1 To seek approval for the revised Corporate Property and Assets Disposal Policy

2 Recommendation(s)

That Cabinet:

2.1 Approves the Corporate Property Disposal Policy (Appendix 1).

2.2 Note that the properties at paragraph 5.5 will be marketed through an informal negotiated tender process

3 Reason for Recommendations

3.1 To ensure a consistent approach in dealing with disposals of Council property

3.2 To receive capital receipts for Council priorities and achieve savings by reducing costs and liabilities for these assets

4 Background

- 4.1 The previous “Land Acquisition and Disposal Policy” was prepared in 2013 and hasn’t been reviewed since.
- 4.2 It is a recommendation from the internal audit (October 2017) that the Land Acquisition and Disposal Policy should be reviewed to ensure that it is up to date.
- 4.3 The 2013 policy included acquisitions as well as disposals for both HRA assets as well as General Fund (GF) assets. The new policy is focused solely on the disposals of Corporate property and assets held in the GF.
- 4.4 There have been significant changes in the Council’s governance system since 2013. The Council adopted the Leader and Cabinet model of governance in May 2019. In November 2019 the Council approved the creation of a new Corporate Property and Assets team through the restructure. The proposed policy reflects these changes and provides clear guidance and procedure for disposal of corporate assets.

5 Main Considerations

- 5.1 The preparation of the Corporate Property and Assets Disposal Policy is the first step towards building a suite of documents, policies, guidance and procedure notes for better management of the Council’s Corporate assets. With the establishment of a new team, and the service manager recruited, the Council is focussed on improving the performance, efficiency and potential of our assets.
- 5.2 The proposed Policy provides a framework to consider property matters, and will ensure a consistent approach is adopted. It will assist with demonstrating compliance with the obligation to obtain best value under s. 123 of the Local Government Act 1972.
- 5.3 The Policy will support the emerging Corporate Asset Management Plan (AMP) which will identify the reasons for the Council to hold any land or property. This a key factor when considering disposals.
- 5.4 It is proposed to establish a disposal register to maintain a record of all properties identified for disposals and monitor the implementation of the policy.
- 5.5 At present, there are two properties identified and approved for disposal:
- Park Lane public conveniences
 - Wilton Road public conveniences
- 5.6 Both these properties are now disused as the facilities are now accommodated in the new buildings. The disposals for these were approved by Communities and Social Affairs Committee in 2016. A planning permission was obtained (17/00571/FUL) for the proposed demolition of unused public WC facility to residential to provide two number 2-bed flats at Park Lane Conveniences. One of the conditions of the approval was that the development should have commenced before the expiration of three years from the date of this permission. This hasn’t been the case and hence the permission will expire in July 2020.
- 5.7 The Council has no alternative use for the properties and as such the active marketing of these properties will continue with a view to concluding a sale and yielding the associated capital receipt.

- 5.8 According to the proposed policy, these properties will be marketed through informal negotiated tender process.

6 Options Considered

- 6.1 The council requires a policy to guide the process that should be followed when considering which assets should be retained and which are no longer required and therefore should be disposed of
- 6.2 Not to continue with a disposal is not recommended as an option. As it could leave the Council exposed to accusations of a lack of transparency and due process in any future disposals and negate the expenditure incurred in obtaining planning permission for one of the properties. Not selling the properties could result in the Council retaining liabilities, which could have a revenue impact and not achieving capital receipts.

7 Consultation

- 7.1 The Policy is an internal document and therefore there is no consultation undertaken with external stakeholders.

8 Next Steps – Implementation and Communication

- 8.1 Publish the Policy.
- 8.2 Prepare an asset register, Asset Management Plan, identify surplus assets and add them to the disposal register in accordance with the policy.
- 8.3 Review all land and property holdings and ensure they remain fit for purpose and value for money and where this is not the case seek alternative uses to maximise the financial and non financial return.
- 8.4 Provide updates to SLT and Cabinet on annual basis.

9 Financial Implications

- 9.1 An offer was received for £42,500 for Wilton Road toilets in November 2018. Disposal of these properties will save £4,041.90 for Park Lane and £5431.99 pa for Wilton Road toilets in business rate payments.
- 9.2 The current book values for these properties are:
- Park Lane - Land £9486, Building £33,014 = £42,500.
 - Wilton Road - Land £5118, Building £41,382 = £46,500.
- 9.3 The cost for marketing the property will be recovered from the sale value. If the sale is not successful, the marketing cost will remain non-recoverable.

Financial Implications reviewed by: Director for Corporate Services

10 Legal and Governance Implications

- 10.1 The Council has a statutory and fiduciary duty to obtain best consideration for disposal of land and buildings in its ownership. There are exemptions to this obligation however the Council are not relying on any such exemptions in these particular cases.
- 10.2 Legal Services will be required to draft, complete and execute all documents require to complete the disposal of land.

Legal Implications reviewed by: Director for Governance and Regulatory Services

11 Equality and Safeguarding Implications

- 11.1 The Council must have due regard to its Public Sector Equality Duty when making all decisions at member and officer level. An EIA is the best method by which the Council can determine the impact of a proposal on equalities, particularly for major decisions. However, the level of analysis remains proportionate to the relevance of the duty to the service or decision. Each disposal as well as lettings of 3 years or more will be subject to EIA as identified in Appendix G of the policy document.

12 Community Safety Implications

- 12.1 NA

13 Environmental and Climate Change Implications

- 13.1 NA

14 Other Implications (where significant)

- 14.1 NA

15 Risk & Mitigation

Risk No	Risk Description	Likelihood	Impact	Risk
1	Significant changes in property market mean that the approved disposals can't be achieved	High	Critical	High Risk
2	Changes in legislation due to Brexit mean that the policy can't be implemented as proposed	High	Marginal	Medium Risk
3	Vacant posts in the Corporate Property and Assets team mean lack of capacity	High	Critical	High Risk

		Impact / Consequences			
		Negligible	Marginal	Critical	Catastrophic
Likelihood	Score/ definition	1	2	3	4
	6 Very High				
	5 High		2	1,3	
	4 Significant				
	3 Low				
	2 Very Low				
	1 Almost impossible				

Risk No	Mitigation
1	Market conditions will need to be considered for each disposal case
2	Changes in legislation will be monitored closely
3	Recruitment is pursued actively

16 Background Papers

16.1 None

17 Appendices

17.1 Appendix 1 - Corporate Property Disposal Policy

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