

Wiltshire Council

Cabinet Capital Assets Committee

17 January 2017

Subject: Assets to be declared surplus

Cabinet members: Toby Sturgis - Cabinet Member for Strategic Planning, Development Management, Strategic Housing, Operational Property and Waste

Key Decision: No

Executive Summary

The council continually reviews and rationalises its asset portfolio in order to identify surplus assets for sale. A total of 7 assets are considered to be surplus to the council's requirements and it is recommended they be added to the assets held for sale disposals list and progressed to sale at or above market value in support of the council's wider capital programme.

Proposal(s)

1. That members declare 7 assets listed in the report as assets held for sale.
2. Authorise the Associate Director for People and Business to dispose of the assets at or above market value.

Reason for Proposal

To declare assets surplus so that they can be sold in order to generate capital receipts in support of the council's capital programme.

**Carlton Brand
Corporate Director**

Wiltshire Council

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Management, Strategic Housing, Operational Property
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Purpose of Report

1. The purpose of this report is to declare 7 assets surplus and authorise their sale at or above market value.

Relevance to the Council's Business Plan

2. The disposal of assets raises capital to assist and support the council's medium term financial plan (MTFP) which subsequently supports the Council's Business Plan and its aims and targets.

Main Considerations for the Council

3. Since its inception in 2009 the council has sold assets in excess of £61m. There are a number of other surplus assets in the programme which are currently scheduled to be marketed and sold between now and the end of 2018/19 and it is anticipated that they will realise in the region of £30m.
4. In addition, the 7 assets listed in Appendix I are recommended to be declared surplus for disposal which will be sold over the next 4 years.

Background

5. The receipt of capital from the sale of assets is used to support the capital programme of investment in the communities of Wiltshire. Examples of the types of investment made and programmed to be made are provided in the Council's Budget but they range from investment in better roads, waste collection and recycling, care homes, health and wellbeing centres and initiatives to provide better and more efficient customer access to Council services.
6. Running, managing and holding assets is expensive but with careful investment as described above, services can be transformed and delivered in a way that improves customer satisfaction and relies less on needing a building/asset for service delivery.

7. Assets then become surplus to the core requirements of the Council and once sold, the capital realised can then be used to support further investment.

Safeguarding Implications

8. There are no safeguarding implications with this proposal.

Public Health Implications

9. There are no public health implications with this proposal.

Procurement Implications

10. The decision to declare assets surplus does not have any direct procurement implications. However, when the appointment of agents to market the assets or when pre-marketing surveys are required, their procurement is carried out in accordance with the council's procurement rules and policies.

Equalities Impact of the Proposal

11. None

Environmental and Climate Change Considerations

12. Where a sale envisages potential development, any environmental and/or climate change issues are best considered through the planning application process.

Risk Assessment

13. Regular reports on progress of property disposals are provided to this Committee within the Capital Monitoring Report. These reports are based on a review of risks of each disposal that takes into account legal issues and 3rd party interests over the asset, planning, market conditions and other factors to review and adjust future receipt out turn forecasts.

Risks that may arise if the proposed decision and related work is not taken

14. The MTFP for the council is, in part, dependent on the success of the disposal of property and assets. Failure to declare new assets surplus or to sell those that are currently declared will impact on the council's ability to achieve its business plan.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

15. A risk that may arise is that due to legislative or other changes a service need arises for an asset after it has been sold and the Council then has to look to acquire or rent in an asset. However, the list of assets has been

considered by the Corporate and Associate Directors and no service has identified a need that could be fulfilled by any of the properties on the list in Appendix I.

Financial Implications

16. As explained above, the realisation of capital from the sale of assets is used to support the MTFP and Council Business Plan. Reducing sales and the delivery of capital receipts will reduce the amount that the Council can invest in its communities and/or be used to reduce borrowings and thus free up revenue for delivering services. The disposal of surplus assets is not only integral to the council's medium term financial planning but often makes good asset management sense too.

Legal Implications

17. There are no legal implications with the paper other than it will result in legal work to formalise them. Each asset is to be sold at or above market value, thus ensuring that the best price properly payable will be received thus satisfying the requirements of S123 of the Local Government Act 1972. Market value will be determined by either open marketing of the sites or through an external valuation being procured to reflect any special circumstances. The assets will also be categorised as strategic assets due to their strategic importance to contribute to the MTFP and will not be available for Community Asset Transfer unless this Committee subsequently decides otherwise.

Options Considered

18. The alternative options would be to transfer the properties in another way or to not dispose of them at all, both of these have been discounted for the reasons set out in this report.

Conclusions

19. Declaring additional assets surplus to the requirements of the Council will provide additional funds for the Medium Term Financial Plan and Council's Business Plan.

Dr Carlton Brand
Corporate Director

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Background Papers

None

Appendices

Appendix I: Asset List