
Individual Cabinet Member Delegated Decision

Cabinet Member for Spatial Planning, Development Management and Investment - Councillor Toby Sturgis

Service: Estates and Development

Officer Contact: Rob Scott - Robert.Scott@Wiltshire.gov.uk - 01225 713142

Reference: SPD 1-2020

Title: Approval to dispose of the freehold interest of an Asset

Purpose of Report

1. To declare the former St Michael's Primary School site surplus to Council's operational requirements and confirm that, subject to first obtaining the consent of the Secretary of State for Education to the disposal of school land and buildings under s77 of the SSFA (1998), the freehold may be sold in line with the terms set out in Appendix 2.
2. Subject to having obtained the aforementioned consent of the Secretary of State to authorise the Director for Housing and Commercial Development to dispose of the freehold interest in the asset or in his or her absence the Interim Corporate Director Resources

Relevance to the Council's Business Plan

3. 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. Specifically, the business plan describes taking a *commercial approach to managing assets* as part of the *Working with partners as an innovative and effective council* priority.

Background

4. 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, extra care homes, health and wellbeing centres and initiatives to provide better and more efficient customer access to Council services.
5. 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.

6. 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.
7. In this case, the asset was marketed on an *open*, “All Enquiries” basis enabling both freehold and leasehold approaches, as it was considered the best viable route to securing its continued “community” planning use in accordance with CP49 and as recommended in a PreApp opinion obtained in April 2019 (19/01515/PREAPP). Following several abortive discussions with potential community-use occupiers, negotiations were being concluded in respect of an occupation lease with an option to purchase the freehold from a pre-school organisation when a freehold proposal came forward on terms acceptable to the Council, which, being the most preferred basis of disposal, is now being recommended and requires Cabinet approval to progress.

Main Considerations for the Council

8. There is a three-year programme for capital receipts from the sale of property assets, ending in the current financial year 2020/21, with a target of c. £25 million
9. As part of this programme, it is recommended the freehold interest of the asset is disposed and the proposed transaction set out in Appendix 2 is available to give this immediate effect.
10. Local Members have been advised of the progress of the disposal process, including confirmation of marketing and being made aware that an offer has been received.

Overview and Scrutiny Engagement

11. Overview and Scrutiny monitor the capital programme via its Financial Planning Task Group and the Chairman has been consulted about the item not meeting the 28 day deadline.

Safeguarding Implications

12. There are no safeguarding implications with this proposal.

Public Health Implications

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

Procurement Implications

14. The decision to dispose of the freehold interest 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. In this instance the procurement of the agent was undertaken on a competitive basis.

Equalities Impact of the Proposal

15. None

Environmental and Climate Change Considerations

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

Risk Assessment

17. Regular reports on progress of property disposals are provided to Cabinet 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

18. The MTFP for the Council is, in part, dependent on the success of the disposal of property and assets. Failure to decide to declare new freehold interests to be sold or failure 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

19. 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 Directors and Directors and no service has identified a need that could be fulfilled by any of the properties on the list in Annex I.

Financial Implications

20. 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

21. There are no legal implications with the paper other than it will result in legal work to formalise them. In respect of the asset being put forward as part of this report, it is being sold at market value, thereby ensuring that the best price properly payable will be received thus satisfying the requirements of s123 of the Local Government Act 1972. Market value has been determined by open marketing of the site and by confirmation from the marketing agent that the price is the best obtainable in the market. The asset will also be categorised as strategic asset due

to its strategic importance to contribute to the MTFP and will not be available for Community Asset Transfer unless Cabinet subsequently decides otherwise.

Workforce Implications

22. There are no workforce implications with this proposal.

Options Considered

23. 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.

Proposal

24. That the member confirm that, subject to first obtaining the consent of the Secretary of State for Education to the disposal of school land and buildings under s77 of the SSFA (1998), the freehold interest of the asset listed in Appendix 1 can be sold by the Council on terms set in in Appendix 2.
25. That, subject to having obtained the aforementioned consent of the Secretary of State, the Cabinet Member authorises the Director for Housing and Commercial Development to dispose of freehold interest of the asset or in his or her absence the Interim Corporate Director – Resources.

Reason for Proposal

26. To confirm the freehold interest in the asset can be sold in order to generate capital receipts in support of the Council's capital programme and to maximise the amount of capital from them to support the MTPF and Council Business Plan. It has reference to the asset's community planning use.

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Background Papers

None

Appendices

Appendix 1: Site details

Appendix 1: Terms of sale (Part 2)

APPENDIX 1 – Site details

Figheldean- Former St Michael's primary school

UPRN – 01088S1

Description / sale information:

In accordance with the terms of a s.106 Agreement dated 19 July 2016 between Wiltshire Council and The Secretary of State for Defence relating to the Army Basing Masterplan, St Michaels School, Figheldean was relocated to Larkhill.

On 1st October 2018 approval was given to the exchange of land at Larkhill St. Michael's School and Figheldean St. Michael's School and the church's registered title has now been amalgamated with the Council's registered title, the whole being vested in the Council.

Middleton & Major (M&M) were appointed as disposal agents for the site in December 2018 and recognised that full marketing for (existing) Community Uses should take place before consideration could be made regarding alternative (residential) development. In this regard it was considered that offering the asset to the market on an *open*, "All Enquiries" basis, enabling both freehold and leasehold approaches, was the best viable route to securing its continued "community" planning use in accordance with CP49 and as recommended in a PreApp opinion obtained in April 2019 (19/01515/PREAPP). They have now received an unconditional offer for the Freehold, which keeps the property in its existing use.

Whilst the school is, in practice, surplus to requirements, having been closed since the opening of the new Larkhill academy, cabinet confirmation that is surplus and can be sold is nevertheless required, together with consent of the Secretary of State for Education to the disposal of school land and buildings under Schedule 1F of the Academies Act 2010, the application for which was submitted to the DfE on August 24 – and, in the circumstances can be presumed.

Self-build / Custom-build considerations:

The site is not suitable for a custom/self-build plot given the planning presumption that it should stay in community use.

Location Plan – Site Extent Subject to Survey (Not to Scale and for indication only)

