

Wiltshire Council

Cabinet Capital Assets Committee

21 July 2015

Subject: Disposal of Assets

Cabinet member: Councillor Toby Sturgis- Waste, Property, Environment and Development Control Services

Key Decision: No

Executive Summary

Since 2009 the council has disposed of circa £50m of assets on the open market. A further £31.2m worth of assets are currently forecast for sale up to 2017 and have been previously declared surplus.

A total of 12 assets are recommended to be added to the list for disposal. These are deemed surplus to council requirements and should therefore be sold.

Proposal(s)

- That cabinet note progress on the disposal of land and property to date
- That cabinet ratify the disposal list as set out in appendix 1
- That the cabinet declare the additional sites surplus as set out in appendix 2

Reason for Proposal

To authorise the disposal of assets in order to support the MTFP and delivery of the councils business plan.

**Carlton Brand
Corporate Director**

Wiltshire Council

Cabinet

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Cabinet member: Councillor Toby Sturgis- Waste, Property, Environment and Development Control Services

Key Decision: No (delete as appropriate)

Purpose of Report

1. The purpose of this report is to...
 - a. Update members on the disposal of assets between 2009/2010 and 2015
 - b. Ratify the current disposals list
 - c. Authorise additional assets to be declared surplus and added to these to disposals list

Relevance to the Council's Business Plan

2. The disposal of assets is central to the delivery of the council's business plan in a number of ways. Firstly, declaring assets surplus represents the final stage of the council reviewing its services in an effort to become more efficient. Essentially, for an asset to be declared surplus, it presupposes that the occupying service or previous business need has been re-evaluated. This in turn allows the asset to be vacated and marketed for sale.
3. Secondly the capital receipt helps contribute to the overall business plan by contributing to the Capital Programme and the council's ability to manage its finances. .

Main Considerations for the Council

4. Since 2009 the council has disposed of circa £50m of assets on the open market. A further £31.2m worth of assets are currently forecast for sale up to 2017 and have been previously declared surplus.
5. A total of 12 additional assets are recommended for disposal. These are deemed surplus to council requirements and should therefore be sold.

Background

6. Since the creation of Wiltshire Council in 2009 the Strategic Assets team has generated a capital receipt of **£51.2m** from the disposals of assets¹. This has been achieved through the sale of some **69 transactions** involving land and property.
7. During the same period some 116 transactions of land and buildings have been completed under by way of asset transfer. This includes some 55 transfers under the academy's act and 61 Community Asset Transfers (CATs).
8. Between 2009 and 2015 some 20 assets which were previously declared surplus have been reclassified as **Operational- Strategic Delivery** within the council's portfolio. Rather than being disposed of, these assets have been deployed or are being held to enable delivery of other business plan priorities.
9. The disposals list, minus those redeployed as **Operational – Strategic Delivery** are shown in appendix 1. This represents the current disposals programme for the council and includes some 34 assets. These are forecast to yield a capital receipt of circa **£31.82m** between 2015/2016 and 2017 onwards.
10. The land and property contained in Appendix 2 are existing assets which are recommended for disposal. These 12 additional assets are recommended for disposal as they are not required for operational purposes. Furthermore, they do not represent opportunities to become **Investment- Revenue** assets. These 12 assets should yield a capital receipt of circa £650k. Once declared surplus the sites will be programmed into the disposals programme.

Safeguarding Implications

5. There are no safeguarding implications with this proposal

Public Health Implications

6. There are no safeguarding implications with this proposal

Corporate Procurement Implications

7. The decision to declare assets surplus does not have any procurement implication in and of itself. However, in order to prepare assets for sale, various surveys may be required e.g Asbestos surveys. Where this is the case, the council's procurement rules will be followed.

Equalities Impact of the Proposal (detailing conclusions identified from Equality Analysis, sections 4 and 5)

¹ It should be noted that capital receipts quoted in this paper represent the total 'book price' that the land or property was sold for. It does not include any costs incurred by the council in completing the transaction such as works before asset sale.

8. Many or most of the properties being disposed of fall below equalities act compliance, or best practice guidance in respect of accessibility and equality of access. These disposals are, in most cases, brought about by the rationalisation of the estate and subsequent investment in retained facilities which enables the Council to offer greater equality of access for its customers and staff as a result. In other cases they are properties that were previously let out, are now vacant and there is no identified operational need for them.

Environmental and Climate Change Considerations

9. The disposal of properties from the Council's property portfolio will have the consequential impact of removing their carbon emission from the Council's carbon footprint. Most proposed sales have been previously agreed as part of a wider business case (e.g. those becoming surplus through the Hub and Campus Programmes), and hence the carbon reduction impact of many of these disposals has previously been accounted for within projections made by the ECO team. The carbon saving applies only where the council directly pays the energy bill. For some of the properties in this disposal programme this is not the case.

Risk Assessment

10. Regular reports on progress of property disposals are provided to the Committee within the Capital Monitoring Report. These reports are based on a review of risks on disposals, and will enable future forecasts on the out-turn position on receipts to be tracked during the course of the year.

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

11. 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 achieve the MTFP.

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

12. Declaring assets surplus is low risk in and of itself. However, the main issue is the fact that many of the buildings are empty and that there will be vulnerable to vandalism

Financial Implications

13. The disposal of surplus assets is integral to the council's medium term financial planning.. Capital receipts generated through the sale of land and property go towards funding the council's Capital Programme. The approved (Council Feb 2015) capital receipts target for 2015/2016 is £11.188m. As the council continues to review services and declare more assets surplus to requirements, this should generate higher capital receipts. This will present the council with a choice as to what it does with the additional funds e.g pay off debt.

Legal Implications

14. There are no legal implications with the paper other than it will result in legal work formalising property transactions

Options Considered

15. Options for specific property disposals are considered on a site by site basis.

Conclusions

16. Since 2009 a capital receipt of £51.2m has been generated through land and property sales. The future capital receipts generated from the sale of those assets on the disposals list will contribute to the council's wider capital programme. Declaring additional assets surplus will provide additional funds for the Capital Programme and Treasury Management.

***Proposal**

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- That the cabinet ratify the disposal list as set out in appendix 1
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***Reason for Proposal**

18. To authorise the disposal of assets in order to support the MTFP and delivery of the council's business plan.

Dr Carlton Brand
Corporate

Report Author:

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22 June 2015

Background Papers

None

Appendices

Appendix 1: The disposals List

Appendix 2: additional assets to be declared surplus