

ASSET DISPOSAL PROGRAMME 2017 - 18

Cabinet	25 October 2017
Report Author	Director of Corporate Governance
Portfolio Holder	Cllr John Townend, Portfolio Holder (Finance & Estates)
Status	For Decision
Classification:	Unrestricted
Key Decision	Yes
Reasons for Key	The decision affects more than one ward
Previously Considered by	Cabinet 15 June 2017
Ward:	All

Executive Summary:

This report details the approved proposed asset disposals and asset transfers for 2017/18.

Recommendation(s):

1. To proceed with the disposal of assets listed in Annex 1, Part B, considered by Cabinet in June 2017 with sale proceeds being used to fund the asset management and capital programmes;
2. To proceed with the disposal of assets listed in Annex 2, Part B, considered by Cabinet in June 2017 to Parish & Town Councils and eligible community groups to ensure their continued use for the benefit of the community;
3. To withdraw from the disposal list the asset listed in Annex 2, Part C as considered at June 2017.

CORPORATE IMPLICATIONS

Financial and Value for Money	The capital programme is part-funded from capital receipts generated from the sale of assets. These disposals are required to enable the continued investment in council assets. The disposal of assets listed in this report will not only generate capital receipts but will also reduce ongoing maintenance costs and reduce the risk of incurring future capital expenditure.
Legal	The council may dispose of land held in any manner it wishes but the council shall not dispose of land, otherwise by way of a short tenancy, for a consideration less than best that can reasonably be obtained. There is an exception to this general rule where the council is able to sell a site for less than its market value, but it must seek statutory consent to do so. Specific consent is not needed where the council can demonstrate the land sale will help to secure the improvement of the economic, social or environmental wellbeing of the local area, and the undervalue is only up to £2m less than market value.

Corporate	The disposals programme is proposed to ensure the delivery of the Medium Term Financial Strategy and funding of the Capital Programme. It is to be delivered within the parameters of the Asset Management Plan 2017 – 2021.								
Equality Act 2010 & Public Sector Equality Duty	<p>Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.</p> <p>Protected characteristics: age, gender, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.</p> <table border="1" data-bbox="432 745 1402 987"> <tr> <td colspan="2">Please indicate which aim is relevant to the report.</td> </tr> <tr> <td>Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,</td> <td>√</td> </tr> <tr> <td>Advance equality of opportunity between people who share a protected characteristic and people who do not share it</td> <td>√</td> </tr> <tr> <td>Foster good relations between people who share a protected characteristic and people who do not share it.</td> <td></td> </tr> </table> <p>Are there any assets that are proposed to be disposed of that are used by staff or the public. Yes and we have considered the impact for people with protected characteristics to ensure there is no adverse effect.</p> <p>Do they offer facilities which, if removed as a result of disposal, reduce overall access to services for people with protected characteristics? The assets will be sold without altering the use.</p> <p>Might the transfer of responsibility for managing an asset increase or decrease access to services for people with protected characteristics? The transfer of land to the NHS would increase the services for people with protected characteristics. None of the other transfers will decrease access to services.</p> <p>Would there be consequences for staff or customers if an asset isn't disposed of and deteriorates through lack of funding? Potentially.</p>	Please indicate which aim is relevant to the report.		Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,	√	Advance equality of opportunity between people who share a protected characteristic and people who do not share it	√	Foster good relations between people who share a protected characteristic and people who do not share it.	
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CORPORATE PRIORITIES (tick those relevant)✓	
A clean and welcoming Environment	
Promoting inward investment and job creation	√
Supporting neighbourhoods	√

CORPORATE VALUES (tick those relevant)✓	
Delivering value for money	√
Supporting the Workforce	
Promoting open communications	

1.0 Introduction and Background

1.1 The Medium Term Financial Strategy assumes ongoing cost savings in the maintenance of assets to be achieved by rationalising the asset base. In addition the capital programme requires funding from receipts generated from asset disposals.

- 1.2 The properties listed in Annex 1 part B and Annex 2 part B that were proposed for disposal at the June Cabinet meeting were the subject of consultation with ward members. There were no adverse comments received which would change the original recommendation to dispose of these assets.
- 1.3 The land listed in Annex 2 part C proposed for disposal at the June Cabinet meeting has been identified as being part of long leasehold with a Housing Association and therefore not available for the Council to progress.

2.0 The Proposed Disposal Programme

- 2.1 The Council uses its property assets for a range of purposes including direct delivery of services, revenue generation and supporting corporate plan objectives. The current general fund portfolio is diverse and is reviewed regularly in relation to maintenance liability, revenue generation and capital value.
- 2.2 The assets listed in Annex 1 part A and Annex 2 part A are being progressed for disposal comments are provided for information.
- 2.3 The assets listed in Annex 1 part B were proposed for disposal at the June Cabinet and were the subject of consultation with ward members. There were no adverse comments received which would change the original recommendation to dispose of any of the assets agreed at Cabinet in June.
- 2.4 The assets listed in Annex 2 part B were proposed for disposal at the June Cabinet and were the subject of consultation with ward members. There were no adverse comments received which would change the original recommendation to dispose of any of the assets agreed at Cabinet in June
- 2.5 The asset listed Annex 2 part C were proposed for disposal at the June Cabinet and were the subject of consultation with ward members. Subsequent title checks reveal that the land forms part of lease dated 22 October 1999 between Thanet Council and a Housing Association. It forms part of the common parts area for the residents of the flats and therefore should be withdrawn from the disposal list.
- 2.6 More investigations will be carried out in respect of future properties to be listed and brought forward for disposal in the future.

3.0 Options

- 3.1 Members could choose to not dispose of assets in Annex 1, Part B. Failure to generate the receipts from the disposals could cause the capital programme to be curtailed (leading to reduced investment in assets) and an unplanned significant increase in maintenance costs which will negatively impact the Medium Term Financial plan.
- 3.2 Members could choose to not dispose of assets in Annex 2, Part B. Failure to do so will incur ongoing repairing liabilities.

4.0 Next Steps

- 4.1 Assets that have been approved for disposal should be progressed through the adopted disposal framework as soon as practicable.

- 4.2 Further investigations should be carried out in relation to other TDC properties to identify those suitable for future disposal.
- 4.3 All assets should be continually reviewed to ensure the Council is making the best use of its resources by rationalising and disposing of surplus or under-performing assets.

Contact Officer:	Tim Howes, Director of Corporate Governance
Reporting to:	Madeline Homer, Chief Executive

Annex List

Annex 1	Properties to be disposed of on the open market
Annex 2	Properties to be disposed of to Parish & Town Councils and eligible Community Groups

Background Papers

Title	Details of where to access copy
Asset Disposal Paper, Cabinet September 2016	Thanet District Council web site.
Asset Disposal Paper, Cabinet April 2017	Thanet District Council web site.
Asset Disposal Paper, Cabinet June 2017	Thanet District Council web site.

Corporate Consultation

Finance	Ramesh Prashar, Head of Financial Services
Legal	Tim Howes, Director of Corporate Finance