

Executive Committee

25 April 2017

Property Asset Management Plan – Disposal List

Appendix -Not for publication by virtue of Paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972, as amended. The public interest in maintaining the exemption outweighs the public interest in disclosing it.

For Decision

Portfolio Holder

Councillor John Russell – Environmental Protection and Assets

Senior Leadership Team Contact:

M Hamilton, Strategic Director

Report Author:

Greg Northcote, Estate Manager

Statutory Authority

Legal power to dispose of the land – s123 (2) and s 128(1) Local Government Act 1972 and Circular 06/03 Local Government Act 1972 General Disposal Consent (England) 2003.

Purpose of Report

- 1.1 To present the outcome of desktop reviews of properties in the Asset Register identifying potential development sites for either residential or employment use and other assets suitable for disposal.

Recommendations

- 2 a) To approve the actions and disposals contained in the 2017 and 2018 Disposal Opportunity Lists in the Confidential Appendix in principle and instruct the Strategic Director in consultation with the Assets and Finance Portfolio Holder to progress the work identified as part of the work program.
- b) To authorise the Strategic Director in consultation with the Assets and Finance Portfolio Holder to progress the work program through the use of external consultants and agents as required including use of the West Dorset Public Sector Partnership LLP where appropriate, offsetting all related preparation and disposal costs against future capital receipts.
- c) That officers report progress periodically to the Committee and through the WDDC Public Sector Partnership LLP Board.

Reason for Decision

- 3 To progress the delivery of the overall objectives of the Asset Management Plan by progressing elements of the work program identified in the confidential appendix.

Background and Reason Decision Needed

- 4 Members will recall that officers presented the Property Asset Management Plan to committee on 1st November 2016 and agreed to present a work program for the period until March 2018. The work program was to address
 - (i) Potential development sites for either residential or employment use based on a review of the following asset types

Let land, vacant land, car parks, garages and stores
 - (ii) Improving Commercial Returns to the council based on a review of the following asset types

Catering & retail, commercial, residential, plus leased in or managed properties, and vacant land or buildings
- 5 It was further agreed that officers would seek to achieve a target to commit to deliver 35-50 new homes, and that there will be a target to achieve a 5-10% increase to property income over the period.
- 6 Officers have undertaken a desk top review of all of the assets in the Asset Register falling within most of the above asset types. Their analysis has drawn from the updated Technology Forge asset software that now lists each asset with data including tenure, occupancy details, rental and lease terms and reported asset valuations. They have also had regard to a suite of previously commissioned asset reviews completed by Bruton Knowles in 2009.
- 7 Officers have presented these recommendations more fully to the Portfolio Holder. Officers have had regard to the merits or limitations of individual assets, costs of continuing management where relevant, the financial return derived from assets (if any), alternative use opportunities, the condition of each asset (where relevant and assessed by the Buildings and Facilities Team), any known future liabilities, and/or service requirements. Officers have in a few cases identified the need to further assess issues of local need and will approach local Councillors and Parish Councils to inform the way forward where appropriate.
- 8 The Disposal Lists reported in the Confidential Appendix identify opportunities for the council to realise capital receipts, bring forward land for housing development and generate cost savings. This will be achieved through asset disposals and transfers to community and other suitable bodies. Some assets should be parcelled with adjacent land in 3rd party ownership to extract best development opportunities. All development opportunities will be investigated ahead of marketing. It may be

appropriate to consider joint venture opportunities if revenue generation is a preferable outcome to capital receipts.

- 9 By additionally pursuing new lettings and scheduled rent review and lease renewal activity the council will also generate increased revenue from its retained assets.
- 10 The Disposal Lists identify sites potentially for up to 72 units for housing development but also identify other more complex sites where there is scope to deliver mixed development schemes too. None of the land currently in Council ownership is primarily suitable for employment uses alone. The land development opportunities are largely small sites offering up to six units individually and consideration will have to be given as to how these can be delivered for local benefit.
- 11 Several of the asset opportunities listed are complex in nature. These include the land assembly opportunity that the council's landholdings if parcelled with others present in West Street, Bridport where the combination of bus depot, bus station and car parking could be a trigger to support some remodelling of the area. A number of car parks that generate modest revenue streams are identified for further review some such as those in Sherborne should be reviewed collectively to ensure that the overall parking offer remains sufficient.
- 12 Officers are seeking consent to utilise the West Dorset Public Sector Partnership LLP to assist in undertaking the above reviews and advising on some individual opportunities including land holdings in West Bay that may have leisure potential.
- 13 The Disposal Lists are solely based on a desk top review of assets and all require further work to justify and support the reasons stated for the recommendations and to progress delivery. The assets require subsequent site investigations, legal title checks and planning enquiries to establish their potential. Some may be best sold with planning consent to realise best consideration. While most are suitable to be openly marketed some are opportunities to dispose to special purchasers with existing interests.
- 14 Where proposals relate to the disposal of existing open space then the Council will advertise the disposals and invite representations in respect of each proposal prior to marketing to ensure that their statutory responsibilities in respect of Section 123 (2) A of the Local Government Act are addressed.

Implications

Corporate Plan

- 15 A4. Regenerating and supporting vibrant town centres
B1. Preventing homelessness and supporting communities to meet their housing needs
D2. Adapting service delivery to the changed financial environment

Financial

- 16 The potential disposal of the assets identified in the Disposals List will generate significant potential capital receipts for the council, will provide some income generating opportunities and will reduce some future liabilities and management costs. However their delivery will attract resource costs whether addressed in house, through external consultants and agents or through the WDDC PSP LLP.
- 17 The last asset valuations indicated in the Confidential Appendix (where available) may not be a good guide to future receipts as these reflect current uses and are not open market valuations. Some are historic. The council should expect to match or exceed the figures listed. Many of the car park valuations are of the entire car parks. Few if any will be sold as a whole.

Equalities

- 18 All development schemes will have regard to the impact of disposals on retained assets.

Environmental

- 19 All development schemes will require planning consent and their impact on the environment will be one consideration in the approval process.

Economic Development

- 20 Several of the opportunities listed will potentially contribute to the local economy by their development and enhance the economy in their new use.

Risk Management (including Health & Safety)

- 21 Any projects contemplated will be subject to all statutory compliance requirements.

Human Resources

- 22 The delivery of these proposals will require resources from Property, Legal and Planning Teams.

Consultation and Engagement

- 23 Portfolio holders have been consulted. Officers will consult with Parish Councils as indicated in the Confidential Appendix and will advise local members ahead of any planned disposals if Parish Council's have been offered terms but declined them prior to marketing.

Appendices

Confidential Appendix – List of Disposals 2017-2018

Background Papers

Executive Committee Report - Property Asset Management Plan 2016-2020 dated 1st November 2016

Footnote

Issues relating to financial, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

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