Cabinet
11 November 2025
Asset Disposals and Transfers
For Decision

Cabinet Member:
Cllr R Biggs, Property & Assets and Economic Growth

Local Councillor(s): All

Senior Leadership Team:
J Britton, Executive Director for Place Services

Report author and job title: Jessica Maskrey Head of Service Assets & Property, Carly Galloway Service Manager Strategic Asset Management
Email: Jessica.Maskrey@dorsetcouncil.gov.uk
Carly.Galloway@dorsetcouncil.gov.uk

Statutory Authority:

Report status: Part Exempt Para 3

1. Executive summary (maximum of 500 words)

1.1 This report sets out an ambitious plan to unlock land for regeneration, placemaking, and the delivery of affordable housing, supporting Dorset's ambition to meet local housing needs and stimulate economic growth.

1.2 To support this ambition, the Council plans to dispose of seventy-eight non-operational assets over five years, generating £46.7 million in capital receipts. These sites, currently underused, will be unlocked for new investment, helping to revitalise communities and support Dorset's future growth.

1.3 The programme will reduce the cost of ownership, free up resources to invest in Dorset's priorities, and support the Council's capital programme. It is a cornerstone of the Strategic Asset Management Plan and a key lever for delivering the Council Plan.

1.4 Disposals will be delivered through a mix of open market sales, auctions, and conditional sales, with a strong focus on enabling regeneration and affordable housing development. Selected sites will be brought forward through a strategic development partnership pilot to enable the delivery of new social rent homes in line with the Council's housing strategy.

1.5 Cabinet is asked to approve the strategy and delegate authority for transactions over £500k to the Executive Director for Place, in consultation with the Cabinet Members for Property, Assets & Economic Growth and for Finance & Capital Strategy, and the Section 151 Officer.

2. Recommendation(s)

2.1 Approve the proposed pipeline for asset disposals as a key mechanism to deliver the Strategic Asset Management Plan, generate capital receipts and support the delivery of the Council Plan.

2.2 Delegate authority to approve disposals of individual assets identified on the disposals pipeline (Appendix A) each with an estimated value exceeding £500,000 and method of disposal to the Executive Director for Place in consultation with the Cabinet Members for Property, Assets & Economic Growth and for Finance & Capital Strategy and the Section 151 Officer.

3. Reason for the recommendation(s)

3.1 The Council holds more non-operational buildings and property assets than can reasonably be maintained in the long term. Many of these assets are in poor condition due to historic underinvestment. The disposal programme will generate capital receipts, reduce ongoing maintenance and operational costs, and support the capital programme, enabling reinvestment in core operational and income-generating assets that are essential to service delivery and financial sustainability.

3.2 Asset transfers to Town and Parish Councils (and other community groups) enable local ownership and stewardship of assets, allowing services and facilities to be tailored to community needs. This fosters stronger engagement, innovation, and long-term sustainability.

3.3 Together, disposals and asset transfers contribute to Dorset Council's Plan priorities by:

- Driving economic growth by unlocking investment opportunities and enabling more productive use of land and assets
- Supporting regeneration and affordable housing delivery
- Empowering communities through locally driven service provision
- Making more efficient use of resources, and being better able to invest in a smaller number of retained assets

4. The Report

4.1 The Council's estate is extensive, varied, and in many cases ageing and in many cases in poor condition, resulting in high maintenance and management costs. In May 2025 a review was initiated on the direction of the Cabinet

Member following the approval of the Council's Strategic Asset Management Plan in October 2024 to build a disposal pipeline, support the capital programme, and reduce borrowing costs.

4.2 The proposed approach aligns with the Council's Priorities as detailed in the Council Plan 2024-2029 and Strategic Asset Management Plan 2024-2030 (SAMP). It will support financial sustainability by providing capital receipts that will contribute to the Council's capital programme and reduce reliance on borrowing. Disposals will allow the Council to focus resources on core operational assets and improving service efficiency, while retaining and investing in income-generating assets that provide ongoing financial returns.

4.3 Asset transfers to Parish and Town Councils enable local ownership of assets that serve a community purpose, supporting community-led regeneration and more responsive service delivery.

4.4 Disposals present opportunities to unlock investment and improve operational efficiency. For example, disposing of industrial estates to commercial landlords can attract increased capital investment, enhance site management, and stimulate business growth, contributing to local economic development and aligning with the Council's strategic priorities.

4.5 Assessment of assets

4.5.1 A rapid asset review of over 500 non-operational assets (representing one third of the council's estate) has identified those suitable for disposal. Each asset was assessed using a structured methodology considering financial value, development potential (including affordable housing), planning and Local Plan alignment, risks and constraints, and indicative timescales. This ensured informed, strategic decision-making aligned with Dorset Council's priorities.

4.5.2 Income generating sites identified as disposals have been assessed using a financial appraisal model to evaluate the net benefit, taking into account the potential loss of income.

4.6 Disposals Pipelines

4.6.1 The disposal routes, with their estimated values are summarised in Table 1.

	No. of Assets	Estimated Value
Open Market Unconditional Sales	32	£16.4m

Auction sales	28	£0.5m
Condition sales for development	14	£22.5m
Regeneration sites	4	£4.6m (plus)
Housing strategy sites	3	£2.65m

Table 1

4.6.2 Full details of the identified properties and their estimated values are set out in Appendix A along with a multi-year disposals pipeline covering various routes - open market sale (unrestricted sale of an asset on the open market allowing competitive offers without conditions such as planning consent); auction (low value assets), and conditional sale for development.

4.6.3 Regeneration and affordable housing sites will be subject to further and ongoing review to ascertain value aligned with the council's regeneration objectives. In some cases, the value of the site may need to be reinvested by the council into the regeneration or housing scheme proposed for the site.

4.6.4 Market conditions fluctuate over time, and it will be important to carefully manage the timing and sequencing of disposals to avoid placing too many similar assets on the market simultaneously, which could dilute interest and impact achievable values.

Year	**Forecast value of capital receipts**	**No. of disposals over £500k**
2025/26	£4.3m (£1m completed to date)	3
2026/27	£12.4m	4
2027/28	£8m	3
2028/29	£9.2m	4
2029/30	£12.9m	8
Total	£46.7m	

4.7 To ensure the Council meets its statutory obligations under the Local Government Act 1999, all proposed disposal methods will comply with the requirement to achieve best value. The choice of disposal route is determined by the nature of the asset, market conditions, and strategic priorities.

4.8 Auction (Unconditional Sale)

4.8.1 This method involves selling sites through public auction, subject to a reserve price. Sales typically complete within three to four weeks following the auction date, offering fast turnaround, immediate cash receipt, and a transparent, competitive process.

4.8.2 The auction route is particularly suitable for sites with a clear title and minimal constraints. However, it offers limited control over the buyer or future use of the asset and may not achieve full market value if interest is low. As such, this route is generally unsuitable for complex or strategically significant sites and will be applied to low value assets.

4.9 Open Market Unconditional Disposal

4.9.1 Sites are marketed for sale “as seen” without conditions such as planning consent. This route typically results in a sale within six to nine months, depending on the level of market interest.

4.9.2 The benefits of this method include wider exposure to potential buyers, the possibility of achieving higher offers than through auction, and a relatively straightforward legal process. Similar to auctions, there is generally no control over the future use or development of the site, although in some circumstances covenants or other legal obligations can be applied; although when this is done, it generally has the market effect of decreasing the value of the asset. As such this approach will be applied to higher value assets with clear title, minimal constraints, and no strategic requirement for future control.

4.10 Conditional Disposal for Development

4.10.1 This method involves marketing sites with development potential and inviting offers that are subject to planning permission. Completion only occurs once planning consent has been secured, or in some cases, when development commences or reaches practical completion. This can significantly extend the timescale and introduces a degree of uncertainty, as values are contingent on the successful outcome of the planning process.

4.10.2 The advantages of this approach include the opportunity to capture the uplift in land value and the ability to align the disposal with Council priorities, such as the delivery of affordable housing or sustainable development. It also provides greater control over the future use and design of the site. Importantly, this method enables investment to be unlocked through third-party ownership, where external capital and expertise can be leveraged to deliver outcomes that the Council may not be best placed to achieve directly. For example, the disposal of a commercial site may support wider economic growth objectives, where private sector landlords are better placed to invest in and accelerate development, contributing to regeneration and job creation.

4.10.3 This approach will be applied to strategically significant sites where planning outcomes are critical to achieving Council priorities. However, it is inherently speculative and more complex, time-consuming, and resource-intensive. It carries the risk of planning refusal or delays and requires more intensive negotiation and ongoing monitoring. These complexities mean that such disposals are typically included later in the programme, once sufficient preparatory work has been undertaken and the planning context is better understood.

4.11 Regeneration schemes

4.11.1 The Weymouth Regeneration Programme, supported by £19.5 million from the UK Government's Levelling Up Fund, identifies four strategic council-owned sites, North Quay, Weymouth Bowl, the Peninsula, and West Marina, as key opportunities for transformational development. Inclusion of these sites within the disposals pipeline enables the Council to pursue regeneration outcomes that align with the Weymouth 2040 vision, including mixed-use development, public realm enhancements, and sustainable coastal infrastructure. These disposals will be led by the Regeneration Team, working closely with Assets & Property to ensure alignment with strategic priorities and delivery models. Conditional disposal methods, such as selective tendering and development covenants and/or conditions, will be used to secure planning outcomes that reflect community priorities, environmental resilience, and design quality. This approach allows the Council to unlock external investment and deliver regeneration outcomes while retaining strategic influence over site use, phasing, and public benefit.

4.12 Assets identified for housing schemes

4.12.1 The *New Models of Housing Delivery Report*, approved by Cabinet on 29 April 2025 (minute number 147), set out a pilot approach to accelerating affordable housing delivery through strategic partnerships. As part of this initiative, three council-owned sites have been identified for inclusion in the development partnership pilot (referenced in appendix A). These sites will be used to deliver affordable housing, with a particular focus on social rent for households on the housing register. Inclusion of these sites within the disposals pipeline ensures alignment with the Council's housing strategy and enables the use of conditional disposal methods to secure planning outcomes that support sustainable development. This approach allows the Council to unlock investment and deliver housing outcomes through external expertise, while retaining strategic control over the use and design of the sites.

4.13 Asset Transfers

4.13.1 The Council's approach to it's Community Asset Transfer (CAT) process to Parish and Town Councils has been clarified, with the aim of ensuring strategic alignment and maximising community benefit. CATs enable underutilised or surplus assets to be repurposed for local use, supporting the principles of the Strategic Asset Management Plan (SAMP) by ensuring assets are used effectively and flexibly to meet local needs. They also help reduce the Council's liabilities for maintenance and operational costs.

4.13.2 Applications are assessed through a two-stage process. Stage 1 involves submission of an Expression of Interest, which is used to confirm that the asset is not required for strategic or operational purposes and that the proposed transfer meets CAT eligibility criteria. If the application passes stage 1, the applicant will be asked to prepare a business case or provide such further information as appropriate to the particular application as stage 2 of the application process.

4.13.3 Under the revised approach, Stage 2 will require proportionate further information, and as such a full business case may not be necessary for Town and Parish Councils. This reflects the expectation that local councils will have undertaken appropriate due diligence prior to assuming ownership and acknowledges their status as established public bodies with defined governance and accountability arrangements. The process aims to enable decisions within an estimated timescale of up to three months.

4.13.4 It is recognised that there is a backlog of expectations from Parish and Town Councils that will need to be worked through. A dedicated Asset Transfers & Disposals team is in place to drive forward the streamlined asset transfer approach.

4.13.5 A pipeline of potential asset transfers is currently being developed, with proactive engagement planned with the relevant town and parish councils to explore opportunities and progress discussions.

4.14 Governance

4.14.1 In view of the volume of disposals anticipated, the complexity of associated negotiations, and the detailed pipeline presented within this report, Cabinet is requested to delegate authority to approve disposals of individual assets identified on the disposals pipeline in Appendix A each with an estimated value exceeding £500,000 to the Executive Director for Place in consultation with the Cabinet Members for Property, Assets & Economic Growth and for Finance & Capital Strategy and the Section 151 Officer, for transactions over £500,000.

4.14.2 This delegation will enable timely decision-making, maintain momentum in delivery, and ensure the Council can respond effectively to market opportunities. Historically, the absence of a clear disposal pipeline and limited delegations has made property and asset disposals a more time-consuming and resource-intensive process than necessary. Although disposals below £500,000 are already delegated in accordance with the Officers Scheme of Delegation, they are included in this report to provide full transparency across the disposal programme.

4.14.3 It is anticipated that sales by auction will generally be low value of below £500,000 for each asset and Officers will approve disposal in accordance with the existing Officer Scheme of Delegation.

4.15 Resource

4.15.1 A dedicated Asset Transfers & Disposals team is in place to support the delivery of the proposed disposals pipeline.

4.15.2 Property agents specialising in different classes of assets will be commissioned to support the sale of property assets, providing valuation advice and property agency services. An estimated budget of £1,000,000 over a five-year period will be deducted from the gross capital receipts.

4.15.3 The Council’s in house Legal Property Team have confirmed that they have the resources to facilitate these proposals.

5 Alternative options considered

5.6 Other asset classes

5.6.1 As part of the rapid asset review, over 500 non-operational assets were assessed, resulting in the identification of seventy-eight sites with potential for disposal. This review did not include operational assets, which remain outside the scope of this exercise, although the rationalisation of operation assets continues to be a future requirement.

5.6.2 In line with the process outlined in the SAMP a rolling asset review programme will continue to assess the wider estate, identifying further opportunities for disposal, transfer, repurposing, or redevelopment in alignment with strategic priorities.

5.6.3 Recommended option

Officers recommend delivery of the disposals pipeline outlined in this paper, alongside continuation of the rolling asset review process to identify further assets for disposal, development, or repurposing. This option supports the Council's financial sustainability by generating an estimated £46.7 million in capital receipts over five years, reducing maintenance liabilities, and enabling reinvestment in core operational and income-generating assets. It also aligns with strategic priorities including regeneration, affordable housing delivery, and community empowerment through asset transfers. This proactive strategy ensures that underutilised assets are repurposed to deliver maximum public value.

5.6.4 Alternative option – retain assets in council ownership

An alternative option would be to retain all or some of the identified non-operational assets within Council ownership. This approach would maintain the current estate without progressing disposals or transfers at this time. While it may offer flexibility for future decision-making and preserve local control over assets, it would also mean continuing to hold properties that are underutilised or in poor condition, many of which do not contribute to core service delivery or strategic objectives.

This option would limit the Council's ability to generate capital receipts, reduce maintenance liabilities, or reinvest in priority areas. Over time, it may constrain the Council's capacity to respond to emerging needs, deliver regeneration, or improve the efficiency and sustainability of its estate. For these reasons, this option is not recommended as the preferred strategic approach.

6 Legal considerations

6.6 Statutory Powers to Dispose

6.6.1 Section 123 of the Local Government Act 1972 compliance. Local authorities may dispose of land "in any manner they wish," but must obtain the best consideration reasonably obtainable, unless the Secretary of State consents otherwise.

6.6.2 General Disposal Consent (England) 2003: Allows disposal at less than best consideration if the undervalue is less than £2 million, and the disposal promotes economic, social, or environmental well-being.

6.7 Open Space Land

6.7.1 LGA 1972 Section 123(2A) Advertising and consultation obligations where disposal is of land that is designated Open Space.

6.8 Best Value Duty

6.8.1 Section 3 of the Local Government Act 1999, duty to secure continuous improvement in the way functions are exercised, having regard to economy, efficiency, and effectiveness. 2024 statutory guidance reinforces transparency, accountability, and community engagement in disposal decisions.

6.9 Specific Considerations for different types of disposal (other than usual encumbrances, covenants etc. that may restrict disposal).

	Legal certainty	**Risk**	**Mitigation**
Unconditional Auction	Contract formed at the fall of the hammer.	Limited time for due diligence; potential undervalue if market conditions poor.	Robust valuation and legal pack; set reserve price at value that complies with s.123, document decision-making process etc.
Open Market Unconditional Sale	Straightforward but must comply with best consideration duty.	Challenge if undervalue or inadequate valuation advice.	Independent valuation; document decision-making process.
Conditional Sale (e.g.		Delay in receipt;	Use overage clauses/clawback/restrictive

subject to planning) for Development		planning risk may affect value.	covenant/use stipulation provisions; ensure planning obligations (for example) are clear.
Community Asset Transfer (CAT)	Often at less than market value. Must comply with General Disposal Consent 2003.	Challenge if benefits not clearly evidenced; sustainability of community group.	Evidence community benefit, assess financial viability of transferee, have Legal safeguards (e.g. reversion clauses/overage/restrictive covenants/use stipulation).

7 Financial implications

7.6 Capital receipts

The disposal of surplus assets is expected to generate capital receipts of £46.7m over 5 years, which will contribute directly to the Council's capital programme and reduce reliance on borrowing.

7.7 Costs of development and disposal

An agent will be commissioned to support the sale of property assets, providing valuation, conveyancing, and marketing. An estimated budget of £1,000,000 over a five-year period will be deducted from the gross capital receipts.

7.8 Revenue Impact

7.8.1 In addition to generating capital receipts, the disposal of assets will reduce ongoing repairs and maintenance costs. This is particularly significant given that the current repairs and maintenance budget is insufficient to meet the full cost of required works, resulting in some maintenance being deferred or avoided altogether. Asset disposals will therefore help alleviate pressure on revenue maintenance budgets.

7.8.2 For each asset a rapid financial appraisal has been completed to calculate the difference between the savings arising on borrowing for the capital programme (assuming that the capital receipt reduces the need for borrowing), any loss of revenue rental income, and taking account of future maintenance liabilities avoided. A positive value from the appraisal means selling the asset would result in a net saving.

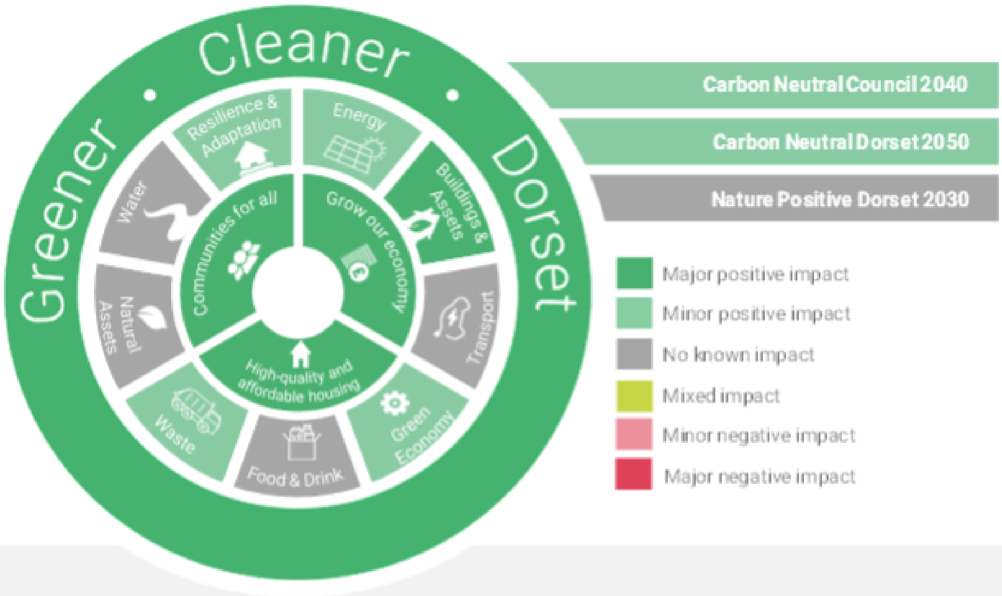
7.8.3 In certain cases, non-financial considerations may take precedence over income generation. For example, the disposal of certain commercial assets may support wider economic growth objectives, where private sector landlords are better placed than the Council to invest in and accelerate development opportunities, particularly in strategic locations, thereby contributing to regeneration and job creation.

7.8.4 Some of the proposed disposals will result in a reduction in income to the Assets & Property (A&P) service. However, most income-generating properties also incur ongoing costs for maintenance, repair, and utilities. Therefore, the net financial impact of disposals may be less severe than the gross loss of income.

7.8.5 However, it must be noted that the current repairs and maintenance budget is already insufficient to meet existing needs. Any proposed adjustments must therefore be carefully assessed to avoid exacerbating existing pressures on the service and to ensure that statutory and operational requirements continue to be met.

7.8.6 The financial appraisal for each asset includes an assessment of both income and expenditure impacts. While some income-generating assets will result in a reduction in rental income, this is offset by savings in maintenance, repair, and operational costs. In most cases, the net budgetary impact is expected to be neutral or positive. Detailed financial summaries will also be provided to delegated decision-makers as actual figures are confirmed, to support informed approvals.

8 Natural environment, climate & ecology implications



Quantitative Impact on CEE targets (if known)		
	Unit	Number of units (+/-)
2030 - Natural asset extent & condition	Ha	Unknown
2040 - Operational Emissions	CO_2 (tonnes)	Unknown
2050 - County Emissions	CO_2 (tonnes)	Unknown

9. Well-being and health implications

9.1 The disposal and transfer of surplus assets has the potential to positively impact health and well-being outcomes, particularly where assets are repurposed for community use. Community Asset Transfers to Parish and Town Councils and other local organisations can enable the continued or enhanced provision of locally driven services, including spaces for social connection, physical activity, and access to support services.

9.2 By focusing resources on a smaller number of retained, fit-for-purpose assets, the programme also supports the delivery of services in environments that are safe, accessible, and conducive to positive health outcomes. In cases where assets are transferred or disposed of, care will be taken to assess any potential impact on service users and local communities, and to ensure that alternative provision or mitigation is considered where appropriate.

9.3 The programme aligns with the Council's wider commitment to improving community well-being through effective use of its estate and enabling local stewardship of assets that support inclusive, resilient communities.

10. Other implications

10.1 None

11. Risk implications

11.1 HAVING CONSIDERED: the risks associated with this decision; the level of risk has been identified as:

Current Risk: LOW

Residual Risk: LOW

12. Equalities

12.1 The disposal and transfer of assets has the potential to impact different groups within the community, particularly where assets have historically supported inclusive access to services or community activities. As part of the assessment process, consideration will be given to the potential equalities implications of each proposed disposal or transfer, including any impact on protected characteristics under the Equality Act 2010.

12.2 Community Asset Transfers offer opportunities to retain and repurpose assets in ways that reflect local needs and priorities, which can support inclusive service delivery and community cohesion. Where assets are proposed for disposal, steps will be taken to ensure that any adverse impacts are identified and mitigated where possible, including through engagement with affected groups and consideration of alternative provision.

12.3 The programme will be delivered in accordance with the Council's Equality, Diversity and Inclusion commitments, and equality impact assessments will be undertaken where appropriate to support informed decision-making.

13. Appendices

Appendix A - Pipeline of disposals (exempt)

14. Background papers

None

15. Report sign-off

15.1. This report has been through the internal report clearance process and has been signed off by the Director for Legal and Democratic (Monitoring Officer), the Executive Director for Corporate Development (Section 151 Officer) and the appropriate Portfolio Holder(s)