

**REPORT TO THE SCRUTINY PANEL for RESOURCE AND PERFORMANCE  
MEETING OF 20 JUNE 2013**

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**Status:** For Comment and Recommendation  
**Title:** Corporate Property Strategy & Asset Register  
**Originator:** Mark Perris, Corporate Asset Manager  
**Where from:** Scrutiny Commission 30 May 2013 & Executive Forward Plan  
**Where to next:** Executive and then to Council

Objective: Review and revise Corporate Property Strategy and recommend actions included therein.

1. Outcome sought from Panel

1.1 **The Panel is asked to review the Corporate Property Strategy & Asset Register as set out in Appendix A attached to this report , and make such recommendation as members think appropriate for consideration by the Executive**

2 Background

2.1 The overall aim of the Strategy is to set out the methodology for managing the Councils property assets to ensure a co-ordinated approach to asset management, greater collaboration and efficient, effective and sustainable use of land and buildings.

2.2 The Strategy will contribute to the draft Corporate Delivery Plan 2013/14 Objective CA9 “Ensure financial and other assets are maximised and managed efficiently” and to further good asset/property management of the Councils assets.

2.3 The Strategy will address the comments in the Corporate Peer Challenge to ensure a continued emphasis on asset management and the development of an asset management strategy will help continue the journey of improvement,

2.4 Despite the absence of a formal strategy, the Council has taken key strategic decisions in respect of property.

- The headquarters building refurbishment which will ensure an improved working environment for staff and members, rationalised office accommodation, improved library facilities for the County Council, improved Museum facilities, and new retail units on the ground floor. The

redevelopment works are currently ongoing with a scheduled completion of the work in December 2013.

- The Council has, also, committed to improvement works totalling £410,000 for the Market Hall building to ensure an ongoing viable and improved market operation. These works are currently scheduled to commence in January 2014

2.5 The Strategy also includes details of options for two of the Council's asset types (Garage Sites and the Settling Rooms)

### 3 Points for discussion

#### 3.1 Asset Reviews

The Strategy sets priorities in its Action Plan. The majority of these will be undertaken within the next 12 months and will be annually reviewed and a new action plan developed. This will be reported to Scrutiny Committee on an annual basis.

3.1.1 Appendix 2 of the Corporate Property Strategy outlines the review of the garage sites. In summary, the garage sites are not currently contributing to service provision and the income levels from operating the garages is minimal. Generally, the sites afford good potential for redevelopment and could be attractive to residential developers, particularly the affordable housing sector, but also from private sector.

3.1.2 Any sale of the garage sites to an affordable housing provider would assist in meeting the Council's targets for affordable homes, and would assist with additional revenue from the new homes bonus.

3.1.3 Appendix 3 of the Corporate Property Strategy outlines the review of the Settling Rooms. In summary, the Settling Rooms is not currently contributing to service provision and the building is currently operating at a financial loss.

#### 3.2 Constitution

3.2.1 The Corporate Property Strategy provides a strategic approach to asset management, acquisition and disposal. As such Executive and Council will be able to make strategic rather than operational property decisions

3.2.2. The current constitution says (Financial Procedure Rule 15, 2(i)) that

Sale of land and buildings ...must be referred to the Executive or Council for a decision as follows:

- (a) Where the price offered is in the range £5,000 to £25,000 – refer to the Executive; and
- (b) Where the price offered is above £25,000 – refer to Council

3.3 The new Corporate Property Strategy supports strategic decision making (subject to appropriate consultation). It would therefore appear sensible that

the enacting of property disposals is delegated to the Corporate Property Officer (Chief Executive) in consultation with the Monitoring Officer, the S151 Officer and Portfolio holder for finance and assets without further referral back to Executive or Council in consultation with the Scrutiny's view on this change in the constitution and scheme of delegation is sought.

#### 4 Equality Impact Assessment Implications/Outcomes (attach completed EIA)

4.1 There are no direct equal opportunities implications.

#### 5 Impact on Communities

5.1 None as far as the main body of the Strategy is concerned.

5.2 There will be a loss of garage sites available to let for residents. However, the numbers are limited and generate low levels of net income and disposal proceeds would be available to benefit a wider section of the community.

5.3 Settling Rooms - There is an existing restrictive covenant in the title deeds which restricts the use of the building for community purposes including but not limited to uses within Class D1 specified in the Town and Country Planning (Use Classes) Order 1987 and not permit them to be used for carrying on of any business or commercial enterprise. The interests of the community are protected by this covenant and consequently there will be no impact on the community as a result of this proposal.

#### 6 Legal Issues

6.1 Any properties which may become surplus under this process will be disposed of in accordance with the Council's Statutory and Fiduciary duty to obtain best consideration pursuant to s123 of the Local Government Act 1972.

6.2 The Council is under no statutory duty to provide garages.

#### 7 Resource Issues

7.1 As property rationalisation opportunities continue to be explored to ensure better use of the Council's remaining property portfolio, this may result in disposal. It may also provide further opportunities to "share" accommodation with other public sector organisations providing potential savings for the Council.

7.2 The continued retention of the garage sites will result in ongoing operational and financial implications in terms of continuing maintenance and security.

7.3 The continued retention of the Settling Rooms will result in ongoing operational and financial implications in terms of continuing maintenance and security, particularly as the property currently operates at a financial deficit.

7.4 Any future capital receipts will support capital investment in Council priorities and avoid the requirement for the Council to undertake borrowing. There is currently no provision within the Medium Term Financial Plan for capital receipts from the sale of any assets.

8 Community Safety Implications

8.1 None as far as this report is concerned.

9 Carbon Management Implications

9.1 None as far as this report is concerned, although many of the outcomes will contribute to carbon reduction.

10 Risk Management Implications

10.1 None as far as this report is concerned.

11 Consultation

11.1 Consultation has been undertaken with the Portfolio Holder for Finance & Assets, Shadow Portfolio Holder for Finance & Assets, Corporate Management Team, Senior Management Team.

12 Background Papers

12.1 .

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**Previous report(s): *none***

**Information Issued Under Sensitive Issue Procedure: No**