

**PAPER NO.2**

**REPORT TO THE EXECUTIVE MEETING OF 8 JULY 2013**

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**Meeting:** Executive  
**Date:** 8 July 2013  
**Subject:** Corporate Property Strategy & Asset Register  
**Report of:** Mark Perris, Corporate Asset Manager  
**Portfolio Holder:** Councillor Dr Paul Bremner  
**Status:** For Recommendation  
**Relevant Ward(s):** n/a

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1 Purpose of the Report

- 1.1 To consider the Corporate Property Strategy & Asset register and associated appendices, and to approve the following recommendation.

2 Recommendations:

- 2.1 **To endorse the Corporate Property Strategy and recommend to Council that the Strategy be adopted.**

3 Summary of Reasons for the Recommendations

- 3.1 To ensure that the Council implements a long term co-ordinated strategy for dealing with its property interests.

4 Key Facts

- 4.1 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.
- 4.2 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.

- 4.3 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,
- 4.4 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
- 4.5 The Strategy also includes details of options for two of the Council's asset types (Garage Sites and the Settling Rooms)

#### Asset Reviews

- 4.6 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.
- 4.6.1 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.
- 4.6.2 Any sale of the garage sites to an affordable housing provider would assist in meeting the Councils targets for affordable homes, and would assist with additional revenue from the new homes bonus.
- 4.6.3 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.
- 4.7 Constitution
- 4.7.1 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
- 4.7.2. 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

4.8 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.

## 5 Legal Issues

5.1 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.

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

## 6 Resource Issues

6.1 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.

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

6.3 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.

6.4 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.

## 7 Equality Impact Assessment Implications/Outcomes

7.1 *None*

## 8. Risk Management Implications

8.1 None as far as this report is concerned.

9 Consultation

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

9.2 The report was considered by the Scrutiny – Resource & Performance Panel on 20<sup>th</sup> June 2013 and the minutes of the meeting are attached as an Appendix.

10 Background Papers

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

**Information Issued Under Sensitive Issue Procedure:** N

**Ward Members Notified:** N

**Appendices:**

**A. Corporate Property Strategy**

**B. Minutes of Scrutiny – Resources & Performance Committee meeting 20 June 2013**