

REPORT TO: Executive Board

DATE: 19 September 2019

REPORTING OFFICER: Strategic Director, Enterprise
Community and Resources

PORTFOLIO: Resources

SUBJECT: Disposal, Acquisition, Retention Strategy

WARDS: Borough wide

1.0 PURPOSE OF THE REPORT

The purpose of the report is to seek Members approval to the Disposal, Acquisition, and Retention Strategy in Appendix A.

2.0 RECOMMENDATION: That Executive Board

- 1) approves the process as outlined in the Disposal, Acquisition, Retention Strategy Appendix A; and**
- 2) authorises the Operational Director for Economy, Enterprise and Property to prepare a disposal programme on the basis of the Disposal, Acquisition, Retention Strategy at Appendix A.**

3.0 SUPPORTING INFORMATION

- 3.1 Members will be aware that a previous disposal programme was presented to the Executive Board on 23 September 2010 and 23 May 2013 and implemented over the next 5 years .
- 3.2 Arrangements for the next programme are presented in Appendix A to consider.
- 3.3 The Disposal, Acquisition and Retention Strategy in Appendix A outlines how the Council will approach reviewing assets for potential disposal and for purchasing assets and the paper will form part of the Council's overall Asset Management Plan. It is intended to be a working document to set out the rationale to support the decision making process when reviewing whether to dispose, retain or purchase assets with sufficient flexibility to address the various situations that may arise.

3.4 The plan is divided into sections

Section 1 The Introduction

This introduces the context and purpose of the Strategy

Section 2 Definitions

This section defines in the context of the report what is meant by a 'disposal', 'acquisition' and the 'surplus asset'. The definition of surplus asset will be used to consider whether an asset will be recommended as surplus and to be sold or to be retained in the ownership of the Council.

Section 3 Vision and Outcome

Sets out the outcome of the strategy

Section 4- Methodology

The Asset Manager together with the Virtual Disposal Group will follow the process set out in this section. Within this section is the approach for obtaining political input from the Portfolio Holder and Ward Councillors for considering whether assets are potentially surplus and to be sold.

Section 5 Draft Disposal Programme

The section covers the specific task of pulling together a five year programme and addresses the Council's approach to other sites to review for potential for disposal that are identified over time outside the programme.

Section 6 Income producing assets

It is the intention to review the income producing assets to be considered as potentially surplus or to retain within the Council's property portfolio. Any review would be carried out with Finance officers to manage the loss of income where assets are sold and for the acquisition of potential alternative income producing assets.

Section 7 Retaining assets

As a result of the review some assets may be recommended for retention and a management plan would be noted for example funding for security, maintenance, business rates liability.

Section 8 Open Space

This section refers to the open space, green space managed by the Open Spaces Manager and is where a number of enquiries for land eg garden extensions are received and there is high expectation from a home owner for the purchase of the land. There are pros and cons for disposing of land in the reducing a liability for maintenance but capital receipt is low and it still can take a significant proportion of officer time to handle cases and there's an opportunity costs that officers could be taken away from priority work areas.

Section 9 Acquiring an Asset

The section outlines the process to follow for where the Council is seeking to acquire assets.

Section 10 Governance and reporting

The approvals process is outlined to comply with Council's constitution and legislation affecting local government. In addition the Asset Management team are members of the Royal Institution of Chartered Surveyors and governed by their rules and regulations. Reference is made to the engagement of the Portfolio Holder and Ward Councillors to seek their input.

Section 11 Resources

The Asset Management team comprises, two valuers, one asset management technician and the Asset and Valuation Manager and rely on the support from legal, planning, highways, open spaces and finance, regeneration officers. Delivering the disposal programme is part of the work load of the team and needs to be balanced with the other work priorities.

External consultants are used to release the team to work priorities and bring a market perspective to handling property issues.

Fees – Whilst the Asset Management Team seek to recover professional fees (including legal fees) associated with transactions this will become standard part of transactions. The level of fee will comply with relevant legislation affecting local government and cover costs. Where external consultants have been used we would seek to recover those costs incurred.

3.5 Next step – a further report will be presented the Executive Board with schedule prepared for a disposal programme over the next 5 years based on the approach of the Disposal, Acquisition, and Retention Strategy in Appendix A.

4.0 POLICY IMPLICATIONS

4.1 None

5.0 FINANCIAL IMPLICATIONS

5.1 The Strategy will support the release of assets to provide capital receipts to contribute towards the funding of the Council's priorities. The programme of disposals over the next 5 years will indicate the anticipated financial year for commencement to work on the disposal of the asset and when the likely timing of the capital receipt. The timings may vary dependent on matters to be resolved and the priorities for the officers involved.

Where income producing assets are sold the Asset Management Team will work with Finance to manage the reduction in income.

Where assets are retained a management plan to indicate resources needed will be identified for example grounds maintenance, business rates, security, repairs.

Funding for external consultants will be needed for marketing, advice on strategies for disposals where complex or a market view is required. The Asset Management team will seek to recover costs incurred.

In complex cases external legal advice may be sought and the funding for advice should be identified.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton

N/A

6.2 Employment, Learning and Skills in Halton

N/A

6.3 A Healthy Halton

N/A

6.4 A Safer Halton

N/A

6.5 Halton's Urban Renewal

N/A

7.0 RISK ANALYSIS

7.1 The Strategy will set out the Council's approach to how acquisitions and disposals are handled with considerations for decision making clearly set out.

If the Strategy is too prescriptive the decision making process will become too rigid and time consuming to process transactions and may result in losing opportunities

8.0 EQUALITY AND DIVERSITY ISSUES

There are no Equality and Diversity issues arising out of this report and the development contained within it.

9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None under the meaning of the Act.