

Report to: Overview and Scrutiny Committee **Date of Meeting:** 10 September 2013
(Performance and Corporate Services)

Subject: Asset Management Plan and Property Asset Disposal Policy/Criteria

Report of: The Director of Built Environment **Wards Affected:** All

Is this a Key Decision? No

Is it included in the Forward Plan? No

Exempt/Confidential Purpose No

To provide an update report to the Overview and Scrutiny Committee on progress towards the development of a new asset management plan including the asset disposal policy/criteria

Recommendation

That the report be received

How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Jobs and Prosperity		√	
3	Environmental Sustainability		√	
4	Health and Well-Being		√	
5	Children and Young People		√	
6	Creating Safe Communities		√	
7	Creating Inclusive Communities		√	
8	Improving the Quality of Council Services and Strengthening Local Democracy		√	

Reasons for the Recommendation:

To inform the Overview and Scrutiny Committee members as to progress towards the adoption of the new asset management plan including asset disposal policy/criteria.

What will it cost and how will it be financed?

N/A

Implications: N/A

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal – None	
Human Resources - None	
Equality	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

Impact on Service Delivery: N/A

What consultations have taken place on the proposals and when?

The Head of Corporate Finance (FD/ 2531) has been consulted and has no comments on the report

The Head of Corporate Legal Services (LD/ 1836) has been consulted and has no comments on the report

Are there any other options available for consideration?

N/A

Implementation Date for the Decision

Immediately following the Committee meeting

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Background Papers:

There are no background papers available for inspection.

1.0 Introduction

- 1.1 It is established best practise that the Council has an asset management plan that sets out a framework by which its valuable property assets can be managed. The previous asset management plan whilst still serviceable requires to be updated and this process of updating and redrafting is ongoing.
- 1.2 Members will be aware that the Council has recently adopted a new Capital Strategy and the intention is that the new asset management plan will complement and support this strategy. As such it will act as an “umbrella document” under which a suite of relevant strategy and policy documents will sit. These other key documents, still in draft format, will include;
- The Accommodation Strategy
 - The Asset Disposal Policy
 - The Community Asset Transfer Policy

2.0 Present Position

- 2.1 The new asset management plan is at an advanced stage of drafting and is expected to be submitted to the Strategic Capital Investment Group (SCIG) for comment and review at its scheduled meeting on 16th September. Once the plan has the approval of SCIG it will be reported to Cabinet at the earliest opportunity.
- 2.2 The ancillary strategy and policy documents are in an advanced stage of drafting, but have yet to be subject to officer comment and review in advance of reporting to SCIG.
- 2.3 It is the proposed Asset Disposal Policy that will contain the detailed exposition in terms of how assets will be selected for disposal and which method of disposal will be selected. However for the purpose of this report the following key criteria will be put forward for consideration;
- Operational Assets (sites or facilities) will usually only be disposed if the Council operation has ceased and there is no other council service in need of the site.
 - Non-operational Assets (those held for redevelopment or income potential) will be retained or disposed, either singularly or as a package following a review of their performance as financial assets and their strategic importance in delivering key Council objectives.
 - Disposals will occasionally be triggered by specific requests from interested parties, typically tenants of freehold properties.
 - There will be presumption that the Council will not retain or hold property assets unless there is a compelling reason, e.g. operational necessity, strong financial performance or strategic importance.

It should be noted that it is intended that Members (Cabinet or individual Cabinet Members) will decide which operational and non-operational assets are released for disposal and ultimately continue to make the decision to sell on the reported terms.

- 2.4 When a decision has been made to dispose, the Council will adopt the most appropriate method to dispose of a particular asset or portfolio of similar assets. The intention will be to secure best value for the Council by way of financial return or other valuable outputs compatible with the Council's established priorities and operational objectives. This may include utilising sites as a Council contribution to a partnership approach such as an asset backed vehicle.
- 2.5 Where appropriate the Council will secure a planning brief or outline planning consent prior to marketing and then seek to ensure that the chosen disposal method enables a sufficient degree of control to be retained in the case of disposals of buildings in need of refurbishment or sites to be redeveloped.