

REPORT TO: POLICY COMMITTEE ON 30 APRIL 2008

SUBJECT: PROPOSED REVISION TO PROCEDURES FOR IDENTIFICATION OF ASSETS NO LONGER REQUIRED FOR OPERATIONAL PURPOSES

BY: HEAD OF ESTATES SERVICES

1. REASON FOR REPORT

- 1.1 This report asks the Committee to approve revised procedures for the identification of property assets no longer required for operational purposes.
- 1.2 This report is submitted to Committee in terms of Section A(38) of the Council's Administrative Scheme relating to the formulation of policies and practices of the Council in relation to Asset Management and to maintain an overview of the Council's property disposal programme.

2. RECOMMENDATION

2.1 It is recommended that the Committee agree, subject to the conditions identified in paras. 4.2 and 4.3 of this report, to delegate powers to the Chief Financial Officer as Chairman of the Asset Management Working Group to identify as surplus and available for disposal Council owned property assets (excluding Common Good assets and assets held on the Housing Revenue Account) which are:-

- a) no longer required by the Council to provide a service either directly, or indirectly through a third party;
- b) no longer required for the future use of the Council.

3. BACKGROUND

- 3.1 At present property assets which are no longer required by Departments are reported to the relevant Service Committee with a recommendation that they be declared surplus to the Committee's requirements. Thereafter details of the property are circulated to other Council Services and, if interest is received, the asset may be transferred to another Department.
- 3.2 If no interest is received the asset will be offered to the Council's Public Sector Partners for transfer at market value. In the event of no interest being received the Estates Section will market the property for sale.
- 3.3 The current arrangements are administratively burdensome with, in some cases two reports being required to Committee before a surplus property can be disposed of. With the introduction of Asset Management Planning the Council's assets are actively being reviewed by the Asset Management Working Group chaired by the Chief Financial Officer. As part of the review process assets will be identified which are no longer supporting Council Services and which could be disposed of to generate capital receipts.

- 3.4 The Asset Management Working Group have reviewed the current arrangements for the identification of surplus assets and consider that the present arrangements could be streamlined to make them less administratively burdensome and to speed the disposal of assets which are no longer required by the Council.

4. PROPOSAL

- 4.1 Properties identified as potentially surplus to service requirements will be referred to the Asset Management Working Group to establish whether the asset should be retained to support Council Services or should be disposed of.
- 4.2 It is proposed that if the Asset Management Working Group is satisfied that there is no further Council requirement to retain a property asset the Chief Financial Officer be granted delegated powers to declare the asset surplus to the Council's requirements. A list of assets declared surplus in this way would be reported to the Policy Committee for noting.
- 4.3 It is proposed that delegated powers should specifically exclude:-
- a) assets held on the Common Good Accounts or Housing Revenue Accounts;
 - b) those assets having an asset value in excess of £1m;
 - c) assets identified for disposal where the capital receipt is to be retained for reinvestment;
 - d) disposal of small areas of Council owned ground to adjoining householders for incorporation into their garden ground (the Chief Legal Officer currently holds delegated powers to approve sales where the purchase price does not exceed £10,000).

5. SUMMARY OF IMPLICATIONS

(a) Corporate Development Plan/Community Plan/Service Improvement Plan

This report has no implications for the above Plans.

(b) Policy and Legal

There are no policy or legal implications.

(c) Resources (Financial, Risks, Staffing and Property)

This report makes recommendations for streamlining current arrangements for the identification and disposal of surplus property assets.

(d) Consultations

The Chief Financial Officer, the Chief Legal Officer and members of the Asset Management Working Group have been consulted in the preparation of this report and support the recommendation.

6. CONCLUSION

- 6.1 That Committee approves the proposals for the identification and disposal of surplus property assets.**

Author of Report: John Black, Head of Estates Services
Background Papers:
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