

CORPORATE AFFAIRS AND AUDIT COMMITTEE

Report title	Update on Estates Strategy and Asset Disposals	
Executive Member*	Executive Member for Finance and Governance: Councillor Nicky Walker	
Chief Executive or Director	Director of Finance Governance and Support: James Bromiley	
Date	7 February 2019	
Purpose of the report	The purpose of the report is to provide and update on the implementation of the Estates Strategy and on assets agreed for disposal in the financial year 2018/19 to date. The report was considered by Executive Sub-Committee for Property on the 19 th December 2018 and the contents noted. The report then comes to Corporate Affairs and Audit Committee for information.	
Summary of the report	A refreshed Estates Strategy, building on the existing Strategy was agreed by officers and the Executive Member was briefed in July 2017. An officer group called the Estates Strategy Board has been meeting since August and it has resolved to provide regular update reports to the Executive Sub Committee for Property. This report is the second of these updates covering the financial year 2018/19 from April to November, it is envisaged that these updates will now take place quarterly from this date. The aim of the reporting is not to change the decision making process but to increase transparency of those transactions which have taken place and on the ongoing improvements to the governance and operational management of estates and assets.	
If this is a key decision, which key decision test applies?*	Over the financial threshold (£150,000)	
	Amends the Council's policy framework	
	Affects two or more wards	
	Non-key	X
For the purposes of scrutiny call in procedure this report is*	Exempt under s.12a Local Government Act 1972	
	Urgent (<i>NB this must be approved by the Chair of OSB</i>)	
	Non-urgent	X
If this is a confidential report, which category of exemption(s) from the Schedule 12a of the Local Government Act 1972 applies?		
Decision(s) asked for	That Corporate Affairs and Audit Committee notes asset disposals in the financial year 2018/19 from April to November and the success in the removal of the VFM 'expect for' opinion in 2017/18.	

Impact of decision(s)	None
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What is the purpose of this report?

1. The purpose of the report is to provide and update on the implementation of the Estates Strategy and on assets agreed for disposal in the financial year 2018/19 from April to November.

Why is this report necessary?

2. In accordance with the asset disposals policy, proposed disposals and other transactions with a value of over £150,000 are already considered and decided by the Committee. Proposals below that value are decided either by the Strategic Director of Finance, Governance and Support or the Head of Financial Planning and Support according to their value.
3. The Estates Strategy Board, chaired by the Chief Executive, meets monthly and monitors progress on the implementation of the Estates Strategy. It also tracks progress on live asset disposals via the Consolidated Asset Disposal Control Sheet.

Asset Disposals

4. In the financial year 2018/19 from April to November the following disposals were agreed:

Decision Maker:	Transactions:	Expected Capital Receipt:	Valuation:
		£s	£s
Head of Financial Planning and Support			
	Land at 9 Willowbank	1,300	1,300
	Land adj to 32 Axminster Rd	2,000	2,000
	Land at 1 Holey Close	4,750	4,750
	Total	8,050	8,050
Strategic Director, Finance, Governance & Support	N/A		
Executive Sub Committee for Property	N/A		

5. Under the General Disposal Consent of 2003 the Council has the power to dispose of assets for less than the best financial consideration for the purposes of;
 - a. Promotion or improvement of economic well-being
 - b. Promotion or improvement of social well-being
 - c. Promotion or improvement of environmental well-being
6. Where the Council has made decisions to dispose relying on these powers it will be reported in these regular updates. In the financial year 2018/19 to date this power has not been utilised.

Implementation of the Estates Strategy

7. The Council's external auditors, EY, issued a VFM "except for" opinion in respect of the governance of asset disposals for 2016/17. They concluded that although there

had been good progress, in particular the adoption of a new asset disposals process in December 2016, the policy was not sufficiently embedded during the 2016/17 period.

8. During the financial year 2017/18 further work was carried out as part of the Estates Strategy to embed the Asset Disposal Policy and ensure compliance.
9. On 26 September 2018 it was reported to Corporate Affairs and Audit Committee that the Council's external auditors had issued a VFM "unqualified" opinion on the accounts for 2017/18 including the governance of asset disposals. This represents successful progress for the Council in this area.
10. Work continues in 2018/19 to ensure that this progress is maintained and to look at further aspects of the Estates Strategy in relation to improving the efficiency of the service and maximising the benefit to the Council and the town from the Council's asset portfolio.
11. There are two other strands of the Estates Strategy around asset acquisitions and commercial properties. Reports on those strands will come forward in due course.

What decision(s) are being asked for?

12. That Executive notes asset disposals in the financial year 2017/18 and the success in the removal of the VFM "except for" opinion in 2017/18

Why is this being recommended?

13. In the interests of good governance it is desirable that members of Executive Sub-Committee for Property are updated on all asset disposals decided by themselves or through appropriate delegations.

Other potential decisions and why these have not been recommended

14. That Executive asks not be notified of decisions under appropriate delegations. This would lead to reduced transparency on asset disposals.

Impact(s) of recommended decision(s)

15. The recommended decisions continue good governance around the Asset Disposal Process.

Legal

16. The Asset Disposal Policy allows the Council to discharge its responsibilities under the Section 123 of the Local Government Act 1972 as amended by the General Disposal Consent of 2003.

Financial

17. There are no direct financial implications of this decision.

The Mayor's Vision for Middlesbrough

18. Asset disposals play a key role in supporting and facilitating Physical and Social Regeneration in Middlesbrough and the smooth and proper functioning of the process underpins this objective.

Policy Framework

19. The decisions requested are in line with the Council's Policy Framework.

Wards

20. The Asset Disposal Policy effects all wards in Middlesbrough as the Council owns assets in all areas of the town.

Equality and Diversity

21. The decisions requested do not have an undue impact on individuals or groups with a protected characteristic.

Risk

22. Proper asset disposal processes support the Council in its duty to secure Best Value and as such reduce the risk failure to deliver on financial and strategic targets.

Actions to be taken to implement the decision(s)

23. Further reports to be brought forward in due course.

Appendices

24. None

Background papers

25. No background papers were used in the preparation of this report.