

Report of:	Strategic Director of Finance Governance & Support – James Bromiley Executive Member for Finance & Governance – Councillor Nicky Walker
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Submitted to:	Executive Sub Committee for Property Panel - 5 th December 2018
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Subject:	Update on Estates Strategy and Asset Disposals
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Summary

Proposed decision(s)
It is recommended that Executive: <ul style="list-style-type: none"> a) That Executive 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.

Report for:	Key decision:	Confidential:	Is the report urgent?¹
<i>Decision</i>	<i>No</i>	<i>No</i>	<i>No</i>

Contribution to delivery of the 2018-22 Strategic Plan		
Business Imperatives	Physical Regeneration	Social Regeneration
Ensuring that the Council operates efficiently and effectively to facilitate physical regeneration.	Ensuring that the Council follows correct processes on the disposal of assets in order to support successful physical regeneration.	Ensuring that asset disposals are conducted in such a way that the required support for social regeneration objectives is available

Ward(s) affected
No wards are affected.

What is the purpose of this report?

1. To 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 does this report require a Member decision?

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.

Why is this report necessary?

4. 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.
5. 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

6. 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		

7. 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
8. 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

9. 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.
10. 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.
11. 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.
12. 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.
13. 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?

14. It is recommended that Executive:
 - a. 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?

15. 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

16. 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)

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

Legal

18. 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

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

Policy Framework

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

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. None