

Area North Committee – 26 January 2011

## 10. Area North – Asset Management

*Portfolio Holder:* Cllr Tom Parsley, Environment & Property  
*Strategic Director:* Mark Williams, Chief Executive  
*Assistant Director:* Donna Parham, Finance & Corporate Services  
*Lead Officer:* As Above  
*Contact Details:* donna.parham@southsomerset.gov.uk or (01935) 462225  
*Lead Officer* Alice Knight, Third Sector & Partnership Manager  
*(Asset Transfer)* alice.knight@southsomerset.gov.uk or (01963) 435061

### Purpose of the Report

To provide information on current SSDC assets in Area North, as a basis for discussion, in advance of considering the revised SSDC Asset Management Strategy.

This report is for discussion only and will be presented by the Area Development Manager (North) and Third Sector and Partnerships Manager.

### Public Interest

An Asset Management Strategy seeks to ensure that the Council's asset management arrangements and the assets themselves make a positive contribution towards the corporate objectives of the Council.

The recently published Localism Bill builds on the policy of the previous Government and actively promotes greater levels of community ownership of assets. This includes strengthened provisions to transfer the ownership & control of assets owned by a local authority or other public body to community based organisations.

### Recommendations

- 1) Note and comment on the report, highlighting any key areas of interest to assist with the preparation of the revised Asset Management strategy.
- 2) Note current guidance on SSDC Asset Transfer policy

### Background

At previous meetings members have requested a discussion on current land and property assets in Area North to contribute to the development of the SSDC Asset Management Strategy.

For the purposes of this report, "Assets" refers to land and buildings owned or leased by the Council. The purpose of an Asset Management Strategy is to ensure good management of assets, and to encourage the disposal of those not needed for the success of the organisation.

Following this report, later in the year, the Assistant Director (Finance) will present the draft Asset Management Strategy. The comments and discussion made will be provided to the Assistant Director (Finance) to assist with the drafting process.

### **Assets – holdings & current use in Area North**

SSDC owns or leases a number of land holdings and premises in Area North.

Most sizable pieces of land or buildings in Area North help provide SSDC services (or are managed on behalf of SSDC) to residents and communities, for example: -

- Ham Hill Country Park and Education Centre; Eastfield Nature Reserve, High Ham; Langport Visitor Centre and cycleway path (Countryside services)
- Car parks and public conveniences (Engineering & Property Services)
- Play areas and open spaces (Community Health and Leisure, Streetscene)
- Gypsy and Traveller accommodation (Housing & Welfare)
- Cartgate Tourist Information Centre (Tourism)

There is one part of the former SSDC Area North Offices at Old Kelways retained on a long lease, currently empty, with a further decision on retention or disposal to be made by District Executive in due course. The provision of community office services in Somerton and Langport are now through short-term occupational licenses, and so the premises are not SSDC assets under the usual definitions.

There are also a number of small areas of land (eg grass verges), most are retained from the transfer of housing stock to the Yarlington Housing Group. These are maintained by the Streetscene service.

A few assets in Area North are leased to local organisations:

- Wessex Rooms, Somerton (leased to the Wessex Youth Club)
- Chilthorne Domer recreation ground (Recreation Trust)
- Kingsbury Episcopi recreation ground (Recreation Trust)
- Paddock House & Unicorn car parks, Somerton (Town Council)

There are also a small number of garages, in South Petherton, rented to local residents.

Further details on individual asset holdings can be provided on request. The full register is available in the Members Room at the Brympton Way offices.

### **Acquisitions, disposals and transfers of assets**

SSDC has formal procedures to follow for the acquisition or disposal or transfer of land and buildings. These vary according to the value of the asset either in its current form, or for alternative uses.

Some assets are not purchased as such, but are acquired at nil cost, for example from a developer as part of planning conditions. The developer will equip and landscape areas for play and recreation, and then the ownership is passed to SSDC, together with a contribution for its maintenance for a period of time (often 10 years).

The disposal of assets is encouraged where the land or building is deemed to be of no use to the Council in providing services, and there is no other significant reason to retain.

Disposal will normally be at market values. However in certain circumstances, a Local Authority can dispose of assets through a transfer to another public body or a community group, and this is described more fully in the section on Asset Transfer.

Using the principles of asset transfer is also a recognised mechanism for a Local Authority to devolve services and make savings. Examples of this in Area North include the transfer of the public conveniences in Langport, to Langport Town Council. A variation of this was also used to return the ownerships of the public conveniences in Somerton and Martock to the respective parish councils, coupled with a one-off financial payment to help off-set the cost to the parish of maintaining the service.

### **SSDC Asset Transfer policy**

The current policy was adopted by District Executive in 2007, and is available in full from the Third Sector Manager. In March 2010 the policy was refreshed and an Asset Transfer checklist was developed which can be used to assess whether or not a building is suitable for transfer to the voluntary sector, as well as a process flow chart which is useful for officers, members and community groups to understand the process involved in any potential transfer. The following points are extracts, and a summary of the process to transfer assets is included in Appendix A.

Asset Transfer refers to the ability of local communities to acquire land and buildings from the local authority property portfolio, normally at a discount (sometimes referred to as 'less than Best Value'), in order to deliver local services that meet local needs.

The spectrum of transfer options can range widely, from a short term leasehold to freehold acquisition, but at the present time SSDC has chosen to only consider transfers on a leasehold basis.

SSDC's Asset Transfer policy recognises a range of benefits to both the community organisation and to SSDC through the transfer of assets. In some instances an asset transfer could mean the loss of rental income. However asset transfer may lead to a reduction in both the Council's property costs and the grant monies currently paid to organisations renting those properties.

Typically, organisations that would be considered appropriate are Voluntary and Community Groups/Associations, Trusts or Charities, Social Enterprises or regeneration groups and Community Interest Companies. Town or Parish Councils are also a possibility and SSDC will look at these on a case-by-case basis.

### **Financial Implications**

None from this report

### **Corporate Priority Implications**

2.14 reduce CO<sub>2</sub> from SSDC operations.

Ensure safe, sustainable and cohesive communities

4.22.2 continue asset transfer to the "third sector" (3 buildings by 2012).

5.3 increase value for money.

**Carbon Emissions & Adapting to Climate Change Implications (NI188)**

None from this report

**Equality and Diversity Implications**

None from this report

***Background papers:*** SSDC Asset Register and Financial Procedures.

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