

Scrutiny Committee – 12th March 2009

9. Procedure for Disposal of Assets – Land and Property

Executive Portfolio Holder: Jo Roundell-Greene – Environment and Waste
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1. Purpose of the Report

To inform the Scrutiny Committee of the Council's policies and procedures in relation to disposal of assets.

2. Action Required

The Scrutiny Committee is asked to note and comment on the report.

3. Background

At their meeting on 18th December 2008, Scrutiny Committee asked for a report to be brought forward on the procedure for disposal of assets that addressed the following criteria:-

- (a) What is the current policy?
- (b) What financial considerations are made relating to the disposal of assets?
- (c) What redress do we have when situations change e.g. economic climate?
- (d) What is our priority when disposing of an asset?
- (e) How consistently is the policy applied and how is this monitored?
- (f) How are SSDC assets identified?

4. Report

- (a) A copy of the current policy for disposal of surplus or underused Council property is attached at Appendix A. I have also included as Appendix B a copy of the policy for disposal of land for social housing as there are specific criteria applicable in these circumstances.
- (b) The policy refers to financial considerations and in all cases an asset sale appraisal form is completed setting out clearly the financial implications of the proposed land or property disposal. Details are reviewed by Finance before asset disposal requests are presented to District Executive. A copy of the form is included as Appendix C.
- (c) The policy at Para. 7 considers the issue of timing of any sale whether for economic market conditions or potential for future increase in site value arising from planning or other opportunities. Where practical, and in order to protect the Council's long term property interests, disposal may be by way of a lease agreement including restrictive covenants.
- (d) It is important that any decisions reflect the Council's financial strategy and the Head of Finance will advise whether there is a priority for capital or revenue income. In order to reach the decision to dispose of an asset a series of options for alternative use will have been fully explored through consultation and/or the

Strategic Asset Management Group. These include use for housing, community transfer, leisure and commercial options. Unless a “special” or “preferred purchaser” has been identified the priority is to achieve the maximum capital receipt or income stream. Terms of reference for the Strategic Asset Management Group are included as Appendix D.

- (e) District Executive has to approve all disposals where the property value is £10,000 or more (£100,000 in the case of land transfers to Registered Social Landlords (RSLs)). In accordance with Financial Procedure Rules all disposal values must be supported by an agreed valuation from the District Valuer or other independent professional Valuer.

In processing the legal paperwork for property disposal the Council’s Solicitor requires sight of the District Valuer’s report and District Executive minute authorising disposal.

- (f) The Council’s land and property assets are recorded in a central database on the Spatial Management System (Uniform). The Legal Section has the deeds for all our property, lease agreements, licences, etc. secured in their deed room.

The Asset Management Team has produced a Property Book that includes basic details of buildings and car parks in the Council’s property portfolio. A copy is located in the Members Room and a further copy will be available at the meeting. The portfolio is reviewed biennially by the Strategic Asset Management Group for the purpose of identifying any surplus or underused assets and challenging the retention or future use of property.

Background Papers: *Disposal policy for surplus/under used Council owned property.*
SSDC Policy on Land Disposal for Social Housing.
DX report 12/7/07 Terms of reference for Strategic Asset Management Group
