



Title: **Disposal of Assets**

Public Agenda Item: **Yes**

Wards Affected: **Blatchcombe; Clifton with Maidenway; Tormohun**

To: **Council** On: **31 October 2011**

Key Decision: **Yes – Ref. 1006240**

Change to Budget: **No** Change to Policy Framework: **No**

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1. What we are trying to achieve and the impact on our customers

1.1. To report upon the public consultation process with the appropriate Ward Members and Community Partnerships and to make recommendations relating to asset management efficiency and cost savings.

2. Recommendation(s) for decision

2.1 That the three assets listed in Appendix 1 be declared no longer required for service delivery and that the Chief Executive of the Torbay Development Agency be requested to advertise their intended disposal in accordance with the Council's Community Asset Transfer Policy.

2.2 That, subject to any expressions of interest received in respect of 2.1 above, the Head of Commercial Services, in consultation with the Chief Executive of the Torbay Development Agency, be authorised to dispose of the assets listed in Appendix 1.

3. Key points and reasons for recommendations

3.1 Expenditure and repair liability across the Council's assets significantly exceeds available resources. On behalf of the Council, the Torbay Development Agency continues to review the suitability and challenge the present use of Council assets with a view to reducing running costs and generating capital receipts, which could be used to support the Council's approved Capital Programme.

3.2 In 2008 the Council established a Community Asset Transfer Policy whereby, before a surplus asset was sold, the community would be given the opportunity to bid for it. If there is no community interest then the asset will be sold.

For more detailed information on this proposal please refer to the supporting information attached.

**Steve Parrock
Chief Executive - Torbay Development Agency**

**Charles Uzzell
Commissioner of Place and Environment**

Supporting information to Report

A1. Introduction and history

- A1.1 The Council has retained a large amount of property and land, some of which is not fit for purpose. It has a maintenance backlog and a Capital Programme which partly relies on the generation of capital receipts for funding.
- A1.2 The Council's established policy as incorporated in the Corporate Capital Strategy states that "receipts from disposal of surplus assets are generally pooled and used to fund projects from the Reserve List in line with the Capital Prioritisation procedure..." Members are reminded of the significant existing demands for capital resources as outlined in recent reports on the Annual Review of the Capital Plan Budget. Members will also be aware of the Council's need to generate receipts to provide match funding for projects currently being considered or seen as a future commitment.
- A1.3 The Corporate Asset Management Plan highlights that the Council needs to dispose of more non essential and poorly utilised assets to:
- a) Maintain efficiency;
 - b) To service the capital programme by bringing forward assets for disposal as the programme dictates;
 - c) To achieve wider regeneration objectives as appropriate; and
 - d) Prioritise the disposal of assets that no longer have valid use or are not cost effective.
- A1.4 The views of the appropriate Ward Members and Community Partnerships have been sought, as contained in Appendix 1 to this report.

A2. Risk assessment of preferred option

A2.1 Outline of significant key risks

- A2.1.1 The disposal of surplus assets has been identified as one of several initiatives to provide additional funding to tackle the urgent land and building backlog maintenance liability and to fund the Capital Programme. Inevitably, there may be some objections to the disposal of some of the assets identified. Failure to consult adequately may lead to abortive disposal work should some of the disposals not proceed. This risk has been mitigated by consulting adequately and by advertising prior to any marketing taking place.
- A2.1.2 The local commercial and residential property markets remain depressed and continue to be adversely affected by global financial issues. This continues to make it harder to maximise the receipts over the short term. The disposals project team has therefore needed to consider the timing and phasing of disposals, against the need to generate capital receipts.
- A2.1.3 As a consequence of the consultation and at a later stage Ward Members and/or Community Partnerships may request that some of the capital receipts are ring fenced for specific capital projects with Community Partnership outcomes. If such requests are made then a further report will be brought back to Members as it is a Council function to determine how capital receipts are allocated.

A2.1.4 There is a risk on some assets that title restrictions may limit or restrict subsequent sales and/or affect the potential value of the assets. However this may be mitigated by providing appropriate and robust legal advice.

A2.2 Remaining risks

A2.2.1 The cost of disposals, including agent's fees, has to be funded from existing revenue budgets and cannot be funded from the potential capital receipts although a contribution may be sought from purchasers towards the Council's costs of disposal.

A3. Other Options

A3.1 The Council is required to ensure that its assets are fit for purpose and that it only holds assets for its strategic requirements. Whilst the extent of disposals and timing continues to be subject to review, to take no action would not be appropriate.

A4. Summary of resource implications

A4.1 The disposal programme impacts on the Head of Commercial Services and the Asset Management Team within the Torbay Development Agency.

A5. What impact will there be on equalities, environmental sustainability and crime and disorder?

A5.1 Good asset management improves the quality of life and creates safer environments for all.

A6. Consultation and Customer Focus

A6.1 Initial consultation has taken place between internal officers (all services represented), Ward Members, Community Partnership Groups and at the capital Programme and Asset Management Board.

A6.2 If deemed surplus then the assets will be offered to the wider community through the Community Asset Transfer Policy process.

A7. Are there any implications for other Business Units?

A7.1 Relevant heads of services have been consulted in the identification of assets for possible disposal.

Appendices

Appendix 1 List of assets that are deemed to be no longer required for service delivery

Documents available in members' rooms

None

Background Papers:

The following documents/files were used to compile this report:

Corporate Capital Strategy & Asset Management Plan & Individual Asset Management Files.

Appendix 1

Asset	Name , Area & Description	Comments Received	Recommendation
T3025/1	<p>87 Abbey Road, Torquay. TQ2 5NN</p> <p>Semi detached Victorian office building of approx 169 sq.m. (1822 sq.ft.)</p>	Possible use for Community use, youth centre.	Not required for service delivery
P0478ZZ	<p>Ex Cemetery Lodge, 88 Colley End Road, Paignton TQ3 3QX</p> <p>Detached 2/3 Bed, ex Cemetery Lodge, with parking, at Cemetery entrance.</p>		Not required for service delivery
P1070	<p>289 Totnes Road Paignton TQ4 7HE</p> <p>Semi detached post war 3 bed house, with parking, in need of substantial refurbishment</p>	Possible disposal to Housing Association.	Not required for service delivery