

**TELFORD & WREKIN COUNCIL**

**CABINET - 8 DECEMBER 2008**

**RESPONSE TO SCRUTINY COMMISSION REPORT – REVIEW OF SALE OF ASSETS**

**REPORT OF CABINET MEMBER FOR ENVIRONMENT & REGENERATION**

**1.0 PURPOSE**

- 1.1 To inform Members of the response to the recommendations made by the Scrutiny Commission for Environment & Regeneration following a review of sale of assets.

**2.0 RECOMMENDATION**

**That the response to the Scrutiny Commission's recommendations, as set out in Appendix 1, is approved.**

**3.0 SUMMARY**

- 3.1 This report summarises the response to the recommendations made by the Scrutiny Commission for Environment & Regeneration. The responses are detailed in Appendix 1.
- 3.2 The Commission's review has been thorough in its coverage and assisted by the involvement of a number of internal Officers.

**4.0 PREVIOUS MINUTES**

- 4.1 None

**5.0 INFORMATION**

- 5.1 Asset & Property Management (A&PM) manages the Council's Property Investment Portfolio (PIP). In February 2008, the Council sold a number of assets from the PIP including land, garages and business units. The Scrutiny Commission set up a working group to look at the process.
- 5.2 The review group undertook a detailed analysis of the subject through interviews and meeting, covering:
- A review of the process for the sale of Council Assets

- Focusing on the PIP, generating income to support the Council's Budget Strategy
- Interviews with Officers from Asset & Property Management
- Views from Ward Members and Parish Councils

## **6.0 EQUAL OPPORTUNITIES**

6.1 The disposal of underperforming assets enables the Council to invest in newly constructed properties complying fully with accessibility regulations. The Council's letting policy takes into account the requirements for Equality and Diversity.

## **7.0 ENVIRONMENTAL IMPACT**

7.1 The review aims to improve the quality of the local environment through supporting the sale of underperforming assets and investment in new properties.

## **8.0 LEGAL COMMENT**

8.1 The Council has a statutory duty pursuant to Section 123 of the Local Government Act 1972 to achieve best consideration when disposing of land. Therefore the recommendation contained at item 4 of Appendix 1 cannot legally be agreed or implemented. An auction is considered an appropriate method of ensuring best consideration is achieved.

## **9.0 LINKS WITH CORPORATE PRIORITIES**

9.1 The links with the corporate priorities to Transform Telford, strengthening the Local Economy by attracting further inward investment and Safeguarding and Creating Jobs.

## **10.0 OPPORTUNITIES AND RISKS**

10.1 Risks are assessed on a regular basis and managed within A&PM.

## **11.0 FINANCIAL COMMENT**

11.1 Decisions on the disposal or investment of PIP properties include a financial appraisal that considers life cycle costings and returns on investment. This requirement will be included within the decision making criteria to be produced by A&PM. Finance will provide appropriate input into the development of these criteria and in establishing monitoring and modelling tools to assist informed decision making.

## **12.0 WARD IMPLICATIONS**

12.1 Borough Wide Implications

**Report prepared by Alan Fox – Asset & Property Manager (Estates & Investments), Asset & Property Management – 01952 384325**

## Appendix 1

### Cabinet Response to Scrutiny Review of Sale of Assets

	Scrutiny Commission Recommendations	Response and Summary of Action Being Taken	Timescale	Officer Responsible
1	Asset & Property Management (A&PM) should notify relevant Ward Members and the Cabinet Member for Regeneration on all asset sales, including when they are notified by another Council service area to assess potential for sale of a Council asset outside of the Property Investment Portfolio. (PIP)	<b>Agreed</b>	Implemented	A&PM Manager (Estates & Investment)
2	That the consultation procedure for garden sales is amended to state that ward members are consulted at the same time as the Environmental Maintenance, Highways and Planning Services, and given sufficient time to respond before the site survey is arranged and charged to the applicant.	<b>Agreed</b>	Implemented	A&PM Manager (Estates & Investment)
3	Liaison between A&PM and Development & Design should be improved to ensure that strategic planning issues are considered and to help prevent areas of open land, wildlife areas etc, from being eroded as sales are processed on an irregular basis.	<b>Agreed</b> - Strategic issues are discussed and agreed. The Council has taken a development team approach for key projects which is improving quality of service.	Implemented	A&PM Manager (Estates & Investment)
4	Existing leaseholders and/or interested residents should be given the first opportunity to purchase any public amenity assets to keep the amenity available to the local community, if they are able to meet the lowest valuation i.e. even if a higher price could be achieved on the open market. Conditions should be attached to the sale to ensure that the usage remains the same.	<b>Disagree</b> – This proposal is not an appropriate way of addressing the issue of community benefit. The Council has a statutory duty under the Local Government Act 1972 to achieve best consideration when disposing of land. However, where there is a benefit from disposing of the asset to the local community, then this will be considered. A&PM will notify Ward Members and the Cabinet Member for Regeneration as identified in item 1 above to establish interest that could be considered prior to any disposal decision.		A&PM Manager (Estates & Investment)
5	That the Cabinet request that A&PM bring forward a set of criteria to support decision making for asset disposal or investment.	<b>Agreed</b>	March 2009	Head of Asset & Property

6	That where a number of assets are to be disposed of in one sale, the decision to dispose of these assets should be subject to the approval of the Cabinet Member for Regeneration who should also decide whether the impact of the sale requires the decision to be published as a Key Decision.	<b>Agreed</b> - The existing officer delegations are maintained to enable the PIP to respond to the market. The consultation process has also been amended so that ward members are informed of proposed disposal	Implemented	Head of Asset & Property
7	Auctions taking place to sell Council assets should be widely advertised in the Telford & Wrekin area, for example, in the local press and on the Council website.	<b>Agreed</b>	Implemented	A&PM Manager (Estates & Investment)
8	That a clear and specific protocol should be developed to outline the boundaries of the role of elected members in sale of assets and renewal of business leases.	<b>Agreed</b> - A protocol will be drafted and reported for approval by Standards Committee. In addition, A&PM will give a Members Information Seminar on the role of A&PM and in particular, managing the PIP	March 2009	A&PM Manager (Estates & Investment)
9	Information on assets in each ward and who is responsible for them should be provided on the Council's intranet Members Information Point.	<b>Agreed</b> - This has been discussed and will be developed. The system will be developed to enable members to highlight the assets which may present a concern to the local community should they be considered for disposal in future.	August 2009	A&PM Manager (Estates & Investment)
10	Information on income received and assets purchased from the sale of other assets should be made available to members.	<b>Agreed</b> - The PIP performance is closely monitored through the performance monitoring process and detailed in annual budget reports. This information will be provided annually to Members. Additional information regarding specific acquisitions and disposals can be provided to Members when requested.	June 2009	A&PM Manager (Estates & Investment)