

# Governance surrounding the disposal of Council Land & Property

Audit & Governance Committee

28 November 2024

# Process Map for Asset Disposal

**Step 1.** Asset identified as under-used or surplus

**Step 2.** Under-use or surplus notified to the Corporate Property Group (Cross Authority Officer Group)

**Step 3.** Corporate Property Group consider following courses of action

- Improve utilisation – increase occupation by relocation of another team, service, or third party
- Re-use – Reallocate to a different service such as Housing, Special Educational Needs & Disabilities, Community Use.
- Declare surplus

**Step 4.** Cabinet/CMB Bi-weekly Strategic Planning Meeting

- Feedback from Cabinet on any potential Community Use of the Asset and likely support for Disposal
- Input from Officers such as Chief Executive, Monitoring Officer, s151 Officer

**Step 5.** Consultation with ward Councillors

**Step 6.** Cross Party Strategic Asset Disposal Working Group

- Cllr Northover, Cllr Canavan, Cllr Bagwell, Cllr Broadhead, Cllr Dedman, Cllr Goodall, Cllr Rice. Cllr K Salmon

**Step 7.** Cabinet Decision

**Step 8.** Council Decision

# Cross Party Strategic Asset Disposal Working Group



**CPSADWG - Established by Council in January 2023**

## **Terms of reference**

- Capital disposal strategy for BCP Council.  
*To develop a pipeline of asset disposals which enables funding of Transformation Investment Programme via Flexible Use of Capital Receipts (FUCR) statutory guidance*
- Strengthen public trust and transparency in the process.
- Initially included a review of the regulations the council must adhere to.

## **Meeting dates**

- 31 March 2023
- 21 April 2023
- 9 June 2023
- 12 January 2024
- 8 March 2024
- 20 September 2024
- 4 October 2024

# Financial Regulations

## Requirements whether Acquisition or Disposal

- Up to £350k      Corporate Property Officer decision
- £350k to £500k      Cabinet decision
- Over £500k      Council decision

# Legal Framework – Best Value Duty

Legal power to dispose of its assets as it thinks fit pursuant to s123 of the Local Government Act 1972, subject to the requirement to obtain **best value** (*unless consent is given by the Secretary of State*) – *linked to red book valuations.*

A general disposal consent was issued in 2003 by the Secretary of State to permit the disposal of sites at less than best consideration in certain circumstances, provided the undervalue is below £2 million.

- *Should not divest themselves of valuable public assets unless they are satisfied the circumstances warrant such action.*
- *Consent SoS not required or the disposal of any interest in land at below market value, which the council considers will help it to secure the promotion or improvement of the economic, social or environmental well-being of its area provided below the £2m threshold.*

# CPSADWG principles approved Cabinet July 23 (Part 1 of 2)



## **Principle 1**

We will ensure sufficient assets disposals are secured to enable the councils Transformation Programme costs to be fully funded by the Flexible Use of Capital Receipts. This will require disposal of assets where completion can be guaranteed by the 31 March of the relevant financial year and to the required amount.

## **Principle 2**

Pursuant with s123 of the Local Government Act 1972, we will ensure Best Value is achieved in respect of any asset disposal by ensuring the value achieves the red book valuation as a minimum. We will also consider the use of overage clauses, where appropriate, to benefit from any future uplift in value.

## **Principle 3**

We will constantly challenge ourselves as to the basis for holding any asset to ensure our portfolio is managed in an efficient and effective way. Holding costs and ability to reduce carbon footprint will be salient factors.

## **Principle 4**

We will look to dispose of surplus, under-used, vacant land & buildings unless there is a strong strategic rationale for holding them for example - support future service delivery, regeneration, housing or place making.

# CPSADWG principles agreed by Cabinet July 23 (Part 2 of 2)



## **Principle 5**

Provided consistent with other principles, we will support the acquisition of assets by community organisations and other public sector bodies such as Town and Parish Councils.

## **Principle 6**

Estates Team capacity will be focused on the delivery of the required asset disposals.



# Questions