

## Agenda Item 22

**Cabinet**

**13 July 2011**

**11/1109**



### Priority Disposal Programme

#### Exempt Information

Para 3 Schedule 12A information relating to the finance or business affairs of any particular person

#### Summary

The Council has an adopted Asset Management Plan which, through its delivery, will identify opportunities for increasing revenue income, cutting costs and achieving capital receipts.

While work is currently underway to enable officers to begin work on reviewing the Council's property holdings with Members, in view of the immediate challenge to the Capital Programme's funding deficit, Members are asked to consider the adoption of a Priority Disposal Programme for a limited number of assets.

#### Recommendation

- i) **To adopt a Priority Disposal Programme and grant the Principal Estates Surveyor authorisation to undertake the work required to maximise the capital receipts from the identified assets in consultation with the Portfolio Holder Economy.**

#### a) Reasons for Recommendation

To agree a Priority Disposal Programme to assist the funding deficit of the Capital Programme 2012/13.

#### b) Alternative Options

To not agree with the recommendation.

#### c) Risk Considerations

To bring this work forward, will require staff and other cost input implications prior to sale/disposal. In addition, there may be revenue budget implications post disposal. However, the former Council has made provision for a one year contract development surveyor post and a budget for consultancy costs as an interim measure. These posts were applied for and agreed prior to the need for a Priority Disposal Programme being identified and this will therefore put at risk the delivery of other property related projects.

**d) Policy and Budgetary Considerations**

The Capital Reserve currently used to fund the shortfall on the Capital Programme will be depleted in 2012/13. This Programme is designed to generate capital receipts to help fund the Capital Programme going forward. The sources and options around funding for the Capital Programme are extensive and are not explored within this report.

**e) Date for Review of Decision**

Annually

**1 Background**

- 1.1 As Members will be aware, through various Finance Reports, including the Revenue and Capital Outturn Report to Cabinet on 15 June, the Capital Reserve used to currently meet the shortfall between expenditure and income on the Capital Programme, will be fully utilised within 2012/13.
- 1.2 For many years, the Council has sold off various land and building interests which provide capital receipts used to help finance the Capital Programme. The table below provides an illustration as to the level of receipts from land disposals over the last five years.

Year	2006	2007	2008	2009	2010
Receipts	£496,130	£152,799	£667,005	£1,325,001	£515,841
No.of transactions	8	9	8	18	10
Restrictive covenant receipts	£26,115	£41,000	£15,250	£119,000	£44,200

- 1.3 The Council has adopted an Asset Management Plan and one of the first tasks to be undertaken is to pull together data on the Council's property, currently held under a number of databases, into one Property Register. Once the relevant information is available to assist informed decisions, Members will then be able to review and challenge the Council's assets against their contribution to the delivery of the organisation's objectives and priorities. Through the delivery of this, and other tasks set out in the Asset Management Plan, it is anticipated that opportunities for increasing revenue income, cutting costs and achieving capital receipts, will be identified.
- 1.4 While work is currently underway to enable officers to begin the review work with Members, in view of the immediate challenge of the Capital Programme's funding deficit, Members are asked to consider a proposed priority disposal programme for a limited number of assets.

**2.0 Priority Disposal Programme**

- 2.1 The Asset Management Forum has identified a number of property assets which could be looked at in further detail with a view to selling within the next 12 months.

2.2 The proposed assets for priority disposal are as follows:-

1. The former Otterton Public Conveniences site
2. The Elizabeth Hall, Exmouth
3. A package of sub-station sites
4. Land at Coly Road, Colyford
5. Market building, Sidmouth
6. Land at Marley Road, Exmouth
7. Former ATC hut, Manstone, Sidmouth
8. Land rear of Templetown (footpath), Exmouth
9. Site of beach huts, Sidmouth
10. Site of former Public Conveniences, Littleham, Exmouth
11. York Street Car Parking Spaces, Sidmouth
12. Remaining land interest at Littleham Industrial Estate

2.3 Until further investigations are made, it is not known as yet exactly how much the sale of these assets are likely to generate, the disposal costs, or the implications for the Council's Revenue Budget.

2.4 Members should be made aware that at the time of writing, the Estates Team does not have the capacity to deliver this policy if adopted. However, through additional budget allocations for 2011/12, a post is currently being advertised for a Development Surveyor and once appointed, will be used to help facilitate the necessary work to secure a maximum return.

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### **Legal Implications**

There are no legal observations

### **Financial Implications**

The financial details are contained within the report

### **Consultation on Reports to the Executive**

### **Background Papers**

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Cabinet  
13 July 2011

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