



Name of meeting: Cabinet
Date: 27th June 2023

Title of report: Surplus Property Disposals 2023/24

Purpose of report:

The purpose of this report is to seek approval and delegated authority from Cabinet for bringing forward the proposed Capital Receipts Schedule for 2023/24, delivering a targeted level of capital receipts in alignment with the Council’s emerging Corporate Property Strategy, and in response to the Council’s approved budget and Capital Strategy.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes – has implications exceeding £250k and covers all wards.
Key Decision - Is it in the <u>Council’s Forward Plan (key decisions and private reports)?</u>	Key Decision – Yes Public Report
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Strategic Director</u> & name	David Shepherd – Strategic Director for Growth and Regeneration – 26/05/2023
Is it also signed off by the Service Director for Finance?	Dean Langton – Service Director for Finance – 30/05/2023
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Julie Muscroft – Service Director for Legal, Governance and commissioning – 15/06/2023
Cabinet member portfolio	Cllr Paul Davies – Corporate

Electoral wards affected: All Wards

Ward councillors consulted: No

Public or private: Public

Has GDPR been considered? There is no personal data within the report.

1. Summary

- 1.1 This report, in alignment with the Council's emerging Corporate Property Strategy, and in response to the Council's approved budget and Capital Strategy, presents a proposed Capital Receipts Schedule for 2023/24 to be brought forward for delivery.

2. Information required to take a decision.

- 2.1 As part of the Council's approved budget, the Capital Strategy presents a £4m minimum 2023/24 in-year target for capital receipts; money received from the sale of property assets (land and buildings).
- 2.2 Through the development of the Council's Corporate Property Strategy, a review of the estate has identified an initial register of surplus property, which is property no longer required to support organisational delivery requirements.
- 2.3 The surplus property register has been assessed to identify those property interests that should be released for disposal. It is government policy that local authorities should dispose of surplus property wherever possible.
- 2.4 The property interests identified for disposal have been assembled to form the Capital Receipts Schedule (CRS) for 2023/24, which is presented as **Appendix A** for consideration.
- 2.5 The property interests identified on the CRS each require further evaluation to determine the appropriate legal process, market value, the mode of disposal, and possible timings, to allow a forward delivery programme to be developed and accelerated to achieve the in-year target.
- 2.6 Assurance and progress will be monitored, with risks and issues managed by exception through a new Corporate Property Board. This is to be established as a first step toward the governance arrangements associated with the Council's emerging Corporate Property Strategy. This forum will report progress into leadership and strategic groups/boards such as the Capital Delivery Board and Modern Organisation Board.
- 2.7 The accelerated approach to property disposals will have an increased demand on the Assets and Estates service area, compounding existing capacity issues. Work is already being prioritised and certain workflows will need to be reviewed and expectations managed.
- 2.8 To assist in relieving this pressure, the response times for all enquiries and requests (including focus reviews) are proposed be set to 90 days. Time-limited, urgent, and statutory enquiries and requests will be managed by exception by the Strategic Manager for Assets and Estates and where appropriate in consultation with the Head of Corporate Landlord and Capital, and the Service Director for Development. This will be reviewed on an ongoing basis, balancing internal resources, available capacity across wider services, and access to consultancy support.
- 2.9 The delivery of the CRS will use a proactive and planned approach, with clear lines of communication, management of risks and issues, and inherent assurance/progress monitoring. To ensure seamless delivery, interdependencies and key stakeholders need to be identified and engaged at the earliest opportunity, with resource and capacity requirements actively monitored and planned for. (e.g., Legal Services).

- 2.10 Work is underway with the Transformation Team to aid in this accelerated approach, to consider project management style support and reviewing the required capacity and gearing up needs across key services such as Legal Services. There may also be opportunities to consider wider service linkage, where the needed skills and expertise may be present in-house and could be re-prioritised to support the required activity.
- 2.11 As sites are evaluated, key strategic partners will be consulted as appropriate, covering off any initial first refusal and/or private treaty opportunities.

3. Implications for the Council

3.1 Working with People

The planned approach for delivery will require key council services to work closely together proactively.

3.2 Working with Partners

As part of the process for bringing forward disposals, key partners will be made aware to help identify any collaborative opportunities.

3.3 Place Based Working

Disposals are often a catalyst for development, which will make our places more attractive and vibrant.

3.4 Climate Change and Air Quality

Disposal of surplus property reduces the council's estate and carbon footprint, contributing to our commitment towards net zero.

3.5 Improving outcomes for children

None

3.6 Finance

The generation of capital receipts supports the Council's Capital Strategy and more specifically the delivery of the Capital Programme (and, where appropriate, the transformation of services through the Flexible Capital Receipts Policy), safeguarding service delivery into the future. Releasing assets for disposal will, equally, contribute to the savings required in the Council's Revenue Budget by reducing the cost of holding assets.

3.7 Financial Implications for the people living or working in Kirklees

None

3.8 Legal

Unless approved otherwise, the disposal of property assets will need to be in accordance with the scheme of officer delegation and the relevant statutory framework which applies to the particular asset. The Council has the legal power to dispose of assets generally under section 123 of the Local Government Act 1972 usually for the best consideration that can reasonably be obtained. Where it is proposed that an asset is disposed of at an undervalue, the General Disposal Consent 2003 (contained within circular 06/93) and the Subsidy Control Act 2022 (and associated regulations) must be assessed, and, where applicable, complied with. Housing assets may only be disposed of in accordance with The General Housing Consents 2013 issued pursuant to section 32 of the Housing Act 1985.

Alongside the Localism Act 2011, which may highlight certain sites for listing as an Asset of Community Value, the Council's approach to Community Asset Transfer will

also need to be considered. Both disposal routes require additional lead-in and determination time, and need to be highlighted as a significant risk should applicable sites be targeted for disposal within year, or within a specific timeframe.

3.9 Integrated Impact Assessment

An Integrated Impact Assessment has been carried out as part of the Council Budget setting process and is published on the Council's website.

4. Consultees and their opinions

4.1 This report has been subject to consultation with the Council's Executive Team (ET), Leadership Management Team (LMT), and the Portfolio Holder for Corporate services, and their comments have informed the contents of this report.

4.2 Ward members will be engaged and informed of progress on a property-by-property basis.

5. Next steps and timelines

5.1 Following this report, and subject to approval, instruction will be given to proceed at pace with the required further evaluation of the properties listed within the CRS, forming an accelerated programme for delivery.

5.2 It is anticipated that a progress update and proposals for the 2024/25 CRS will be integrated as part of the Council's budget setting process and used to inform the 2024/25 budget report.

5.3 The Corporate Property Strategy is currently under development, it is planned to be brought forward for consideration 2023/24 Q4.

6. Officer recommendations and reasons

In alignment with the emerging Corporate Property Strategy, and to support the immediate demand on capital receipts it is recommended that Cabinet delegate to the:

- (i) Strategic Director for Growth and Regeneration in consultation with the relevant portfolio holder, Service Director – Legal, Governance and Commissioning, power to dispose of any land and property identified within the Capital Receipts Schedule 2023/2024 to support the Council's income targets, irrespective of the value of the site and on such terms as officers deem most appropriate,
- (ii) Service Director – Legal, Governance and Commissioning power to enter into all agreements necessary to effect any of those disposals referred to at (i) above.

7. Cabinet Portfolio Holder's recommendations

7.1 The portfolio holder for Corporate Services is fully supportive of the approach outlined in this report.

8. Contact officer

Daniel McDermott: Strategic Manager – Assets & Estates – 01484 221000 – Daniel.McDermott@Kirklees.gov.uk

9. Background Papers and History of Decisions

Appendix A – Capital Receipts Schedule 2023/24

10. Service Director responsible

Joanne Bartholomew: Service Director – Development – Growth & Regeneration – 01484 210000 – Joanne.Bartholomew@Kirklees.gov.uk