

Corporate Assets Disposals Policy

Corporate & Resources Scrutiny Committee

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Somerset
Council

Corporate Assets Disposals Policy

Background

The new policy to replace the previous policies from the former 5 Somerset Councils

This policy does not cover:-

- Commercial Investment Properties
- Housing Revenue Account Assets
- Academy Conversions (leases to Academy Trusts and statutory transfers)

Community Asset Transfers and the Council's agricultural estate fall under the terms of the disposal policy but will also be subject to separate supplemental policies

Legislation

- **Section 123 of the Local Government Act 1972**, which allows the Council to dispose of land, and requires that the best consideration that can reasonably be obtained from this must be achieved.
- **Local Government Act 1972 General Disposal Consent (England) 2003 Circular 06/03**, which allows the Council to dispose of land and property at an undervalue where doing so helps to secure economic, social, or environmental wellbeing of its area, provided that the undervalue does not exceed £2m (above that figure the consent of the Secretary of State must be obtained).
- **Section 77 of the School Standards and Framework Act 1998** and **Schedule 1 of the Academies Act 2010** govern the disposal of current and former school land and playing fields.

Asset Management Strategy and Plan

The strategy has six objectives which will guide policy making and decisions on how the Council's property and land portfolio will be used.

1. The Council's estate is financially sustainable, efficient, and effective
2. Assets that are fit for purpose, safe & compliant
3. Assets that address the Climate Emergency.
4. The Council's estate is used to meet housing and care needs, with an emphasis on social housing.
5. The Council's estate supports prosperity and economic growth
6. Address the growing challenges in the Council's school buildings estate

Key Principles for Disposals Policy

- The Authority does not hold surplus property for which there is no current or 'likely potential' projected future need. Such properties should be disposed to generate capital receipts, to support other policy priorities (for example, the provision of housing) and to reduce liabilities and risks.
- Land and Property is usually disposed of on the open market unless there are exceptional reasons not to do so. These reasons may include the existence of a special purchaser such as a neighbour or current tenant or a strategic partnership opportunity.

Valuations

The Council has a duty to dispose of land and property for best consideration, with sales at undervalue where appropriate to support strategic objectives. The Council is able to dispose of land and property at an undervalue where doing so helps to secure economic, social, or environmental wellbeing of its area.

In most cases, this is demonstrated through exposure to the open market. In certain circumstances, where an off-market disposal is considered appropriate, valuations are undertaken in order to provide a 'best consideration' benchmark and quantify any under-value.

In-house valuers will be used, unless specific knowledge and experience may be required. Staff who are members of the Royal Institution of Chartered Surveyors (RICS) are bound by a Code of Conduct and must adhere to professional and ethical standards.

Transparency

The Local Authority publishes information on land and building assets in accordance with the mandatory requirements of the Local Government Transparency Code 2015.

Where an asset is under consideration to be declared surplus, officers will engage with all Council departments to assess any present or future need. Then if the asset is recommended to be declared surplus, Local Members will have visibility at an early stage and AMG will consider any local sensitivities along with any proposed route for disposal.

If the value of the asset is over £500k, the proposed disposal will be a Key Decision and published on the Council Forward Plan. The Corporate & Resources Scrutiny Committee has the power to 'call in' decisions for review and recommend that the council reconsiders it.

Disposals of sites with a value between £50k and £500k, will be subject to a Non Key Decision paper which requires engagement with Local and relevant Lead Members and consultation as part of the decision making process. The opposition spokesperson and Chair of the Scrutiny Committee – Corporate and Resources will be informed.

Local Members are bound by their Code of Conduct and to keep commercial sensitive information confidential. If applicable/appropriate, there would be consultation with the Town or Parish Councils.

Small Sites

If there are any small sites, deemed to be surplus the following will be considered.

- Potential ransom value
- Strategic value
- Political sensitivity
- Community impact/value

Small sites that are considered to be surplus will also be listed for consideration at the bi-monthly AMG meetings. Very small disposals e.g., small strips sold to neighbours may be circulated to AMG Members for review between meetings. Small sites under £50k will be disposed under Officer delegation, unless Lead Member, AMG or Local Member consultation is considered appropriate in light of any of the four considerations above.

Officers will consider what the decision means to the community and the impact / value it has on them.

Questions and comments

