
Policy for the Disposal of Assets

Executive Member: Lead Member for Economic Development, Planning and Assets

Local Member(s) and Division: All

Lead Officer: Oliver Woodhams, Service Director Strategic Asset Management

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Summary / Background

1. This policy establishes the basis upon which the Council disposes of its property assets. For the purpose of this policy, a disposal of land means any freehold disposal, by sale or exchange or the grant of an option, of Council-owned land or buildings.

This policy does not cover: -

- Commercial Investment Properties
 - Housing Revenue Account Assets
 - Academy Conversions (leases to Academy Trusts and statutory transfers)
 - Wayleaves, easements, licences and the release of covenants
2. Community Asset Transfers and the Council's agricultural estate fall under the terms of this policy, but will also be subject to separate supplemental policies.

Recommendations

3. **The Executive agrees the approval of the Policy for the Disposal of Assets**

Reasons for recommendations

4. The Council approved the Asset Management Strategy and Plan on the 22nd of February which guide the policy making and decisions on how the Council's property and land portfolio will be used. There are six objectives listed in the plan as follows: -
 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 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
5. The strategic property aim is to ensure land and building assets are efficiently managed, maintained, redeveloped, acquired, and disposed of in a consistent, strategic manner that supports corporate objectives and service delivery.
6. The Council undertakes land and property disposals in line with several key principles, namely:
 - It 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.

Other Options Considered

7. This policy has been developed by senior officers from the property departments of the five former Somerset Councils and overseen by the Asset Management Group. It replaces the previous policies held by the former five Somerset Councils.

Links to Council Plan and Medium-Term Financial Plan

8. The policy will contribute towards the Council’s 2023/4 MTFP target for capital receipts in order to support the delivery of the Somerset Council Plan 2023-2027 priorities.

Financial and Risk Implications

9. There are risks in all property transactions is that a proposed disposal may not progress as quickly as the Council expects after the decision is signed, due to (for example) negotiations with the purchasers, formality of completing paperwork and change of buyer circumstances.
10. Whilst the land and property that has been declared surplus by the Asset Management Group, whilst it remains in the ownership of Somerset Council, the Local Authority is responsible to keep the property secure and safe.

Likelihood	2	Impact	3	Risk Score	6
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Legal Implications

11. All land and property transactions undertaken by the Council must be conducted in compliance with relevant legislation, which includes but is not limited to.
 - **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.

12. The legal work to progress the land and property disposals will be conducted through the Council's in-house Legal Services team who will draft the necessary legal documentation for the proposed disposal and will provide legal advice and support to ensure that the Council's interests in respect of the same are protected.

HR Implications

13. There are no HR implications with this decision.

Other Implications

Equalities Implications

14. As individual proposals are identified a consideration of due regard will be given (including accessibility and staff implication). Where appropriate these will be progressed to an Equality Impact Assessment and included with the individual decisions per asset.

Community Safety Implications

15. There are no Community Safety implications with this decision.

Climate Change and Sustainability Implications

16. There are no Climate Change and Sustainability implications with this decision.

Health and Safety Implications

17. There are no Health and Safety implications arising with this decision.

Health and Wellbeing Implications

18. There are no Health and Wellbeing implications arising from this decision.

Social Value

19. There are no social value implications from this decision.

Scrutiny comments / recommendations:

20. The Scrutiny Committee – Corporate and Resources considered the policy on the 7 September 2023 and noted the information provided.

Background

21. Somerset Council's Asset Management Strategy and Plan was developed as part of the Local Government Reorganisation programme in Somerset. This was led by senior officers from the property departments in all five former Somerset Councils who developed the strategy in conjunction with Lead Members from the Somerset Council Executive.
22. The strategy and plan were approved by the Council on the 22nd of February 2023. The document sets out the Council's strategic objectives for property asset management, the approach the Council will take to managing its property assets, and a series of high-level commitments to guide property asset management decisions and policy making.

Background Papers

23. Asset Management Strategy and Plan

[SCC - Public - Corporate Property Asset Management Strategy.pdf - All Documents \(sharepoint.com\)](#)

Scrutiny Committee – Corporate and Resource 7 September of 2023

<https://democracy.somerset.gov.uk/ieListDocuments.aspx?CId=199&MId=2503&Ver=4>

Appendices

23. Policy for the Disposal of Assets
Appendix A: Policy for the Disposal of Assets Process Map
Appendix B: Disposal of Small Sites Process Map

Report Sign-Off

	Officer Name	Date Completed
Legal & Governance Implications	David Clark	31/10/2023
Communications	Peter Elliott	26/10/2023
Finance & Procurement	Nicola Hix	22/09/2023
Workforce	Alyn Jones	31/10/2023
Asset Management	Oliver Woodhams	23/10/2023
Executive Director / Senior Manager	Jason Vaughan	24/10/2023
Strategy & Performance	Alyn Jones	31/10/2023
Executive Lead Member	Cllr Ros Wyke – Lead Member for Economic Development, Planning and Assets	30/10/2023
Consulted:	Councillor Name	
Local Division Members	N/A	
Opposition Spokesperson	Cllr Mark Healey for Prosperity, Assets and Development	Notified 26/10/2023
Scrutiny Chair	Cllr Bob Filmer – Scrutiny Committee – Corporate & Resources	30/10/2023