



Resources and Equality Scrutiny Panel

8 June 2023

Report title	Land and Property Disposals Annual Report 2022-2023	
Cabinet member with lead responsibility	Councillor Paula Brookfield	
Wards affected	All	
Accountable director	Claire Nye, Director of Finance	
Originating service	City Assets	
Accountable employee(s)	Julia Nock, Deputy Director of Assets Tel 01902 550316 Email Julia.nock@wolverhampton.gov.uk	
Report to be/has been considered by	City Asset Leadership Team	31 May 2023

Recommendation(s) for action or decision:

The Scrutiny Board is recommended to:

1. Review the Land and Property Disposals Annual Report 2022-2023.
2. Provide confirmation of assurance that the disposals contained within this report have been actioned in accordance with statutory regulations and the Council's constitution.

1.0 Purpose

- 1.1 To provide the annual land and property disposal outturn for 2022-2023 for assets with a capital receipt value of £10,000 or more. The report summarises the details of approvals obtained, method of sale and compliance with best consideration.

2.0 Background

- 2.1 One of the Council's priorities under Our City: Our Plan is for the Council to use its land and property to enable transformation within local communities. In order to achieve this change, the Council must continually review its land and property holdings. The Council's Strategic Asset Plan is the primary driver in identifying opportunities to dispose of surplus land and property which is no longer required for current or future service delivery.
- 2.2 Capital receipts from property disposals are a critical part of the Medium Term Financial Plan. It is important the Council has a predictable and resilient plan to accurately predict and achieve receipts whilst demonstrating that best value has been achieved in accordance with the Local Government Act 1972.
- 2.3 In January 2023, The Council adopted a formal Land and Property Disposal Policy which details how disposals of surplus land and property are managed, providing stakeholders with a clear framework within which the Council carries out land and property disposal transactions.
- 2.4 The Land and Property Disposal Policy provides a robust, clear and fair approach in line with current legislation and policies to ensure that we are managing and disposing of surplus assets appropriately and ensuring that the Council's interests are sufficiently safeguarded.
- 2.5 The key message delivered throughout this policy is the Council's duty to obtain best consideration for its surplus land and property assets. There is both an ethical and statutory duty to obtain the best value for surplus land and property and the Council holds its fiduciary duty to the public when divesting of assets in the highest regard.

3.0 Disposal Process

- 3.2 In accordance with the Land and Property Disposal Policy the following steps are followed when declaring assets surplus and leading to a subsequent disposal:

Step 1

The Council adopts an effective pro-active and reactive response to identifying assets which may be surplus to Council requirements. The pro-active approach, in line with the Council's Strategic Asset Plan, involves a continual review of evolving service delivery needs and how land and/or property plays a part.

Step 2

Internal service and Ward Councillor consultations are essential to ensure a holistic view of any land or property asset is obtained. All feedback provides valuable input into the the decision making.

Step 3

Following internal consultation, if there are no valid objections raised to the proposed disposal, a report is taken to the Council's Asset Management Board. The report to Asset Management Board contains an estimate of value, undertaken by a qualified internal RICS Registered Valuer, along with a series of options for disposal and a recommendation. The options are discussed and the Chair provides instruction either based on the recommendation or the outcome of Board discussion.

If the estimated value of the land/property is £250,000 or less, City Assets will prepare an IEDN report seeking to declare the asset surplus to requirements and seek authority to proceed to market. If an offer is received of £250,000 or less, formal approval will then be sought through an additional IEDN report which will detail the offer and seek approval to proceed with a sale in accordance with the Council's Constitution.

Step 4

For assets with an estimated value of the land/property exceeding £250,000 or following marketing an offer is received exceeding £250,000, a report to Cabinet is prepared, outlining the options and recommended route to disposal. The report is considered and should Cabinet agree the recommendation outlined, approval to proceed will be granted. All Cabinet approvals to dispose of land/property with an estimated value of more than £250,000 are subject to a supplementary IEDN report being presented which provides the detail of the outcome of marketing along with the recommended offer for acceptance.

- 3.2 The Council's Strategic Asset Plan which provides the direction in the future management of Council land and property portfolio is due to be reviewed and refreshed during 2023. The Strategic Asset Plan 2024-2029 will clarify the Council's approach to the management of its land and buildings portfolio (including disposals), alongside its aspirational future aims, over the next five years period.

4.0 Disposals 2022-2023

- 4.1 During 2022-2023 the Council disposed of eight land and property assets generating a total General Fund capital receipt income of £448,500 and a total Housing Revenue Account capital receipt income of £278,000. All assets were disposed of in accordance with Section 123 of the Local Government Act 1972 and the Council's Land and Property Disposal Policy.
- 4.2 Appendix 1 provides a summary of interests sold with a capital receipt value of £10,000 or more during 2022-2023. The summary provides details of approval obtained, method of sale and compliance with best consideration.

5.0 Questions for Scrutiny to consider

- 5.1 Scrutiny Panel is asked to confirm their assurance on the Council's compliance in disposing of the assets included within Appendix 1 of this report for the period 2022-2023.

6.0 Financial implications

- 6.1 There are no direct financial implications arising from this report.
- 6.2 The financial implications for each asset disposed of during 2022-2023 were detailed within the relevant IEDN or Cabinet Report as appropriate, depending on the value of the capital receipt.

[RJ/25052023/N]

7.0 Legal implications

- 7.1 The Council processes disposals in accordance with both legislation (Section 123 of The Local Government Act 1972) and the Council's constitution to form a consistent and transparent structure which determines how surplus land and property is disposed of (Land and Property Disposal Policy). The Council is required to obtain best consideration reasonably obtainable when disposing of assets.

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8.0 Equalities implications

- 8.1 There are no equalities implications directly arising from this report. The Land and Property Disposal Policy has been designed to consider and meet the needs of all people within Wolverhampton through an all-inclusive approach by the Council.

9.0 All other implications

- 9.1 None

10.0 Schedule of background papers

- 10.1 Strategic Asset Plan 2018-2023
- 10.2 Land and Property Disposal Policy Cabinet Report – 18 January 2023