

Non-key Decision Committee Report



PURPOSE: Non-key decision update report

COMMITTEE: Strategy and Resources Committee

DATE: 16 September 2024

TITLE: Property Working Group (Property Assets Review – Surplus Asset and Disposal Process)

Officer presenting the report: Pete Anderson

Job title: Director of Property, Infrastructure and Assets

Committee Chair: Councillor Tony Dyer

Executive Director lead: John Smith: Executive Director for Growth & Regeneration

Purpose of Report:

1. To get committee approval to the purpose and objectives of the Property working group, and associated Terms of Reference

Evidence Base / Context

1. A Property working group has been proposed, reporting into the Strategy & Resources committee, to oversee and scrutinise how the council identifies property assets that are surplus to requirements and agrees the best future outcome for that asset.
2. The identification of surplus assets is underpinned by a Service Asset Management Plan, with Property Partners supporting services with how best to meet their building requirements.
3. A process has been established since May 2023 that ensures any asset identified as surplus is initially circulated to all council services for consideration. Services can present a business case for alternative future use of surplus assets, which is then considered against the option of disposal.
4. The Estates Strategy Board (ESB), including member representation, was established to oversee the

decision-making process and ensure that any recommendations on asset use / disposal achieved best value for the council. All disposal recommendations from ESB are then presented to committee for final approval.

5. The council needs to rationalise its estate to ensure that it is financially sustainable, and to meet the capital receipt targets within the Medium Term Financial Plan, so identifying appropriate asset disposals is critical. Capital receipts are required to fund the capital programme, transformation activities where 'Flexible Use of Capital Receipts' (FUCR) can be applied, as well as other specific commitments such as grant repayments.
6. In parallel with estate rationalisation activity, the service is also introducing a 'Corporate Landlord' model; this will create a centralised model that ensures a single view of the BCC estate, a more efficiently and effectively managed estate, and reduced risk and liability. The estate rationalisation work underway is key in helping deliver a more fit for purpose estate for the future. This work will be enabled by an 'essential' project in the property transformation programme which will support a single source of truth for the estate by providing an asset management system. This will, amongst other benefits, ensure speed of delivery and timely decision making.
7. The proposed terms of reference for the working group will provide a further layer of challenge and oversight to the agreed processes and ways of working. The group can help build confidence in the rationale behind decision making.

Officer Recommendations:

That the Committee for Strategy and Resources notes the report and further details supplied in Appendix A and approves the recommended approach and Terms of Reference for the group.

Corporate Strategy alignment:

Theme 7: Effective Development Organisation From city government to city governance: creating a focused council that empowers individuals, communities, and partners to flourish and lead.

ED06 Estate Review: Review our operational estate to ensure we have the right amount and right quality of workspaces. Make sure they are carbon neutral by 2025, as well as climate resilient. Explore the potential for a greater presence in neighbourhoods alongside partners.

City Benefits:

Estate Review, Disposals, & Investment in Retained Assets

A smaller and more efficient office, depot, operational, and investment estate where we have the right amount and right quality of properties to serve the required purpose, while disposing of properties that are deemed surplus to requirements to achieve financial benefits for the organisation.

Consultation Details:

1. Internal consultation with members

Background Documents:

N/A

APPENDICES

Appendix A – Further essential background information and detail

YES