



Committee Report

PURPOSE: Final Decision Report

KEY OR NON-KEY DECISION: Key decision over £500k spend/save & impacts more than 2 wards

COMMITTEE: Strategy and Resources Committee

DATE: 18 November 2024

TITLE: Estate Rationalisation – Surplus Asset Disposals

Ward All Wards

Officer presenting the report: Pete Anderson **Job title:** Director: Property, Assets and Infrastructure

Committee Chair: Councillor Tony Dyer

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

Proposal origin: BCC Staff

Purpose of Report:

1. To seek approval to the disposal or re-purposing of the listed Bristol City Council estate assets.
2. To seek Committee approval to the disposal of the BCC assets specified in Appendix A and exempt Appendix E, which have been identified following analysis of the council's estate. Options were presented to the Estates Strategy Board and a list of assets has been identified that best contribute towards achieving future capital receipts and revenue savings targets.
3. To be noted that a separate Property Working Group will be established to work to provide insight and challenge to the approach to estate rationalisation.

Evidence Base / Options to consider

1. In February 2023, Full Council approved the 23/24 budget which included specific proposals to generate £36m in capital receipts (to contribute to an overall target of £71m by 27/28) and make £4m revenue savings related to the council's asset base.
2. In June 2023, a report on the corporate Property Programme for 23/24 was approved by Cabinet which outlined the scope and approach to meeting these financial targets. The report identified the requirement to complete a review of the operational, development and investment estates to ensure that we are retaining the correct property assets for the correct purposes, while releasing

suitable properties to the disposals process to contribute to the revenue savings and capital receipts targets. The approach outlined was that any property that does not have an operational necessity or a sufficient financial yield will be released.

3. The Estate Strategy Board has been set up to oversee the work referred to in paragraph 2 and is currently the governance route for recommending assets for disposal.
4. In February 2024 Full Council approved the 2024/25 budget which included specific proposals to generate £21.6m in capital receipts and make £440k revenue savings in 24/25 related to the council's asset base.
5. Following an ongoing review of the council's operational estate, there are assets that are no longer required for service delivery, and which are vacant or could be vacated relatively quickly. These are set out in Appendices A1 and exempt appendix E. The Estate Strategy Board recommends that, subject to Committee approval, these should be disposed of to the best financial advantage of the council as soon as possible.
6. As part of the process to dispose of surplus assets, the potential to transfer suitable assets from General Fund into Housing Revenue Account (HRA) as additional housing stock or to re-purpose the asset to satisfy a key service requirement is considered prior to disposing on the open market. Appendix A2 lists the assets where transfer to the HRA or appropriation to satisfy an alternative Council service requirement is proposed. Any transfers will be subject to a HRA viability assessment on each individual site and the value of the asset being agreed with Property following independent valuation.
7. As part of the council's ongoing efforts to release land for housing development and delivery of affordable homes, and get more land working to support city strategies, a strategy to use BCC assets for accelerated housing delivery has been progressed. This will include exploring criteria for site selection and options for disposal routes to enable sites to be brought forward for development. Some of the sites identified in Appendix A1 align with this work and opportunities to increase and accelerate development opportunities will be progressed wherever possible.
8. Should approval be obtained for these disposals subject to any transfer potential mentioned at point 5 above, they will be placed with agents for sale on the open market.
9. Legal, agency fees and other disposal costs of up to 4% will be deducted from the disposal proceeds.
10. If approved for disposal, the assets listed in the attached appendix A1 and exempt Appendix E are estimated to provide a minimum capital receipt in the region of £2.1m, together with a revenue saving equivalent to premises operating costs which includes repairs & maintenance, business rates, utilities and future cost avoidance. The proceeds from the sale of all land and buildings (subject to certain statutory limitations) will not be earmarked for use by a specific service but will be pooled and applied to finance future capital investment or for any other purpose permitted by specific regulations (i.e. the flexible use of capital receipts to fund transformation).

Officer Recommendations: -

That the Committee for Strategy and Resources

1. Approves the assets listed in Appendix A1 be declared surplus to Council requirements and subject to them not being considered suitable for HRA transfer, or sold to a registered provider, to be disposed of on the open market for the best consideration achievable.
2. Approves the assets listed in Appendix E be declared surplus to Council requirements where applicable and subject to them not being considered suitable for HRA transfer, or sold to a registered provider, to be disposed of on the open market for the best consideration achievable.
3. Authorises the Executive Director: Growth & Regeneration, in consultation with Section 151 Officer, in accordance with the council's scheme of delegations, to take all steps required for disposal of the assets whilst ensuring best value is obtained for each property listed in Appendix A1 and exempt Appendix E in the event they are not required by the HRA or to satisfy an alternative service requirement.

Corporate Strategy alignment:

1. 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.
2. 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:

1. **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. In order that the disposal of surplus assets is achieved at the required pace, a revised 'Surplus assets procedure' has been introduced which ensures that Service Directors have been informed of the intention to dispose of identified assets prior to them being recommended by Estates Strategy Board.

Background Documents:

Generic:

- [Corporate Strategy 2022-27 \(bristol.gov.uk\)](https://www.bristol.gov.uk/corporate-strategy-2022-27)

- [Feb 2023 -Full Council - 23/24 budget setting savings](#)

Property Programme:

- [\(Public Pack\)Agenda Document for Cabinet, 06/06/2023 16:00 \(bristol.gov.uk\)](#), p. 360-391
- [\(Public Pack\)Agenda Document for Cabinet, 04/07/2023 16:00 \(bristol.gov.uk\)](#), p. 275-289
- [\(Public Pack\)Agenda Document for Cabinet, 05/09/2023 16:00 \(bristol.gov.uk\)](#), p. 324-334
- [\(Public Pack\)Agenda Document for Cabinet, 03/10/2023 16:00 \(bristol.gov.uk\)](#), p. 553-565
- [\(Public Pack\)Agenda Document for Cabinet, 06/02/2024 16:00 \(bristol.gov.uk\)](#), p. 800-821

Revenue Cost	See Appendices	Source of Revenue Funding	N/A
Capital Cost	See Appendices	Source of Capital Funding	N/A
One off cost <input type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input checked="" type="checkbox"/> If yes - existing or new saving? Existing OR Income generation proposal <input checked="" type="checkbox"/>	

1. Finance Advice: This report requests approval to sell the properties, listed at Appendix A1 on the open market. That is expected to generate a minimum of £2.1m which is likely to be realised in 2025. There are no properties identified as surplus and to be made available to the Housing Revenue Account (HRA) on this occasion.

Disposal of these properties is expected to generate c. £120k per annum from savings to utilities and business rates but c. £75k in income is also expected to be lost through loss of rental income. Given the scale of the capital receipts it is clearly in the financial interests of the Council to dispose of these assets.

Finance Business Partner: Ben Hegarty, Finance Business Partner Growth and Regeneration, 15 October 2024

2. Legal Advice:

The Council is under a duty by virtue of S123 of the Local Government Act 1972 to achieve best value for its assets and any disposal should be at the best price reasonably obtainable. It is clear from the report that this statutory requirement will be met by disposing of any assets on the open market at the best price achievable.

Legal Team Leader: Andrew Jones – Property Planning and Transport Team, 10 September 2024

3. Implications on IT: I can see no implications on IT regarding this activity.

IT Team Leader: Alex Simpson, 11 October 2024

4. HR Advice: There are no HR implications evident

HR Partner: Celia Williams, HR Business Partner, 11 October 2024

APPENDICES

Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Equality Impact Assessment (EqIA)	YES
Appendix C – Environmental Impact Assessment	YES
Appendix D – Decision Risk Assessment	NO
Appendix E – Exempt Information	YES
Appendix F – Details of consultation carried out - internal and external	NO
Appendix G – Options appraisal matrix	NO
Appendix H – Business case / financial analysis	NO