

Meeting: Cabinet **Date:** 11th July 2023

Wards affected: All

Report Title: Asset disposals

When does the decision need to be implemented? 17th July

Cabinet Member Contact Details: Councillor Chris Lewis, Cabinet Member for Places Services & Economic Growth, chris.lewis@torbay.gov.uk

Director/Divisional Director Contact Details: Alan Denby, Director of Pride in Place, alan.denby@torbay.gov.uk

1. Purpose of Report

- 1.1 To make recommendations relating to the disposal of 3 surplus assets to achieve capital receipts and cost savings in line with the Council's capital programme and the asset management strategy.
- 1.2 Disposal of these sites will also help reduce the Council's repair liability and associated expenditure and support the Council's ambition to use its assets to the best effect.

2. Reason for Proposal and its benefits

- 2.1 The proposals in this report help us to deliver this ambition, by supporting the Council in reviewing its asset base agreeing a further round of asset disposals, instructing the marketing of sites at Preston North, Corbyn Head and the Old Toll House in Torquay to achieve the highest possible receipt in line with the Council's asset management policy with net receipts after the cost of any sales committed to delivery of capital programme schemes across Torbay. In respect of the toilet blocks the Council would require that future owners make provision for public access toilets.
- 2.2 The reason for the decision is that the Council owns assets including land and buildings, investment assets, operational properties, those held for sale or under construction, intangible assets, infrastructure, plant and machinery, heritage and community assets. These assets are located both inside and outside of Torbay. While the estate is well let and returns to the Council a substantial annual income also achieving a high occupancy rate it is subject to periodic review to ensure that it is working to support the Council's objectives as best as it can.
- 2.3 The management of the asset portfolio is commissioned through to TDA. TDA was requested earlier in the year to review the Council's Torbay assets to consider whether there are opportunities for assets to be identified as surplus to the Council's operational requirements and disposed of. This in line with the principles set out in the asset management policy including:
- Rationalise the asset base by reviewing all non-operational and surplus assets to identify opportunities to create or increase revenue income, provide investment opportunities, or deliver capital receipts to stimulate development and growth.
 - Use our land and buildings to encourage development and growth, supporting local business needs and encouraging new business to Torbay.
- 2.4 That review has identified that there several assets which may be able to be released to support delivery of the Council's capital programme helping progress projects that the community wishes to see delivered.
- 2.5 The benefits of the proposal are initially financial. There would be a capital receipt obtained that, net of the disposal costs, will contribute to delivery of the Council's capital programme and support the objectives of the Community and Corporate Plan.

3. Recommendation(s) / Proposed Decision

1. That the Director of Pride in Place be requested to instruct preparation of an outline planning permission for the surplus toilet blocks at Preston North and Corbyn Head and disposal of these assets with outline planning consent via auction; and be given delegating authority, in consultation with the Director of Finance and the Cabinet Member for Place Services & Economic Growth responsibility, for ensuring that the assets are disposed of in line with the objectives set out in the submitted report.

1. That the Director of Pride in Place be requested to instruct the disposal of the Old Toll House in Torquay and be given delegating authority, in consultation with the Director of Finance and the Cabinet Member for Place Services & Economic Growth responsibility, for ensuring that the asset is disposed of in line with the objectives set out in the submitted report.
2. That the Director of Pride in Place be requested to instruct a strategic review of the Council's estate to identify other assets which could be disposed of to support the delivery of the Council's objectives.

Appendices

None

Background Documents

Torbay Council Strategic Asset Management Plan

<https://www.torbay.gov.uk/council/policies/corporate/amp/> including;

- Asset Management Policy <https://www.torbay.gov.uk/council/policies/corporate/amp/am-policy/>
- Asset Management Strategy <https://www.torbay.gov.uk/council/policies/corporate/amp/am-strategy/>

Supporting Information

1. Introduction

- 1.1 The Council's capital programme is under acute pressure following the turbulent period experienced in the local, national and international economies. One consequence of this turbulence is increased costs being experienced across all sectors with the capital programme requiring additional funding to be able to deliver the projects and outcomes that the Council has committed to.
- 1.2 The Council's asset management strategy requires that the assets are supporting an identified end use and purpose, and where they are not or where the cost and performance of the asset suggests, that there may be opportunities for disposal. The principles of this process are set out in the Council's asset management policy and include a commitment to rationalise the asset base reviewing non operational and surplus assets to identify opportunities to create revenue income or a capital receipt to stimulate development and growth.
- 1.3 A further review of the Council's existing assets to identify further opportunities for disposal of under performing assets which are not helping the Council in providing services or meeting wider strategic objectives is likely to identify further assets which can be released.
- 1.4 Reducing the number of assets held is seen as an important element to achieving a sustainable maintenance regime and managing the overall financial commitment required on assets.

2. Options under consideration

- 2.1 Do nothing – the Council will continue to manage the assets being recommended for disposal. Costs will be incurred in the management of these assets including costs relating to staff, repair and maintenance. The potential for a capital receipt will be missed and this option will not support delivery of the Council's capital programme and wider objectives. It is not recommended.
- 2.2 Dispose of the toilet assets without an outline planning consent – it is expected that this will result in a lower receipt than is optimal as potential buyers will not have confidence that a development will be possible on the site. While this would be a faster route to disposal, the expectation is that there would be a lower receipt and for that reason this option is not recommended.
- 2.3 Recommended option – this provides for the best financial outcome with outline planning providing benefit to the Council and the market, with assurance that development can be

taken forward while also providing the opportunity for the Council to shape the nature of a future development.

3. Financial Opportunities and Implications

- 3.1 As set out elsewhere in the report. There is no forecast for the capital receipt that might be obtained from this work that can be put into the public .

4. Legal Implications

- 4.1 None

5. Engagement and Consultation

- 5.1 Engagement with Cabinet has been undertaken, in respect of the Old Toll House ongoing attempts to bring forward a development with a third party have not progressed and the adjoining landowner is aware of this position.
- 5.2 In respect of the toilet blocks it is expected that there will be engagement with community partnerships and others to inform the Council's development of an outline planning application.

6. Purchasing or Hiring of Goods and/or Services

- 6.1 Where required architects will be employed to obtain an alternative planning consent and external agents / auctioneers (as appropriate) will be appointed to affect a disposal.

7. Tackling Climate Change

- 7.1 No direct implications from the recommendations.

8. Associated Risks

- 8.1 The principal risk if the recommendations are not implemented is that the Council will continue to experience financial pressure on the capital programme which will slow delivery

of the corporate plan objectives and achievement of the outcomes that the community wishes to see in respect of town centre regeneration especially.

- 8.2 The key risks associated with implementing the decision is that there is opposition to the concept designs that come forward and that the assets do not achieve the level of receipt that is anticipated.

9. Equality Impacts - Identify the potential positive and negative impacts on specific groups

	Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
Older or younger people			No discernible impact anticipated.
People with caring Responsibilities			No discernible impact anticipated.
People with a disability			No discernible impact anticipated.
Women or men			No discernible impact anticipated.
People who are black or from a minority ethnic background (BME) (Please note Gypsies / Roma are within this community)			No discernible impact anticipated.
Religion or belief (including lack of belief)			No discernible impact anticipated.
People who are lesbian, gay or bisexual			No discernible impact anticipated.
People who are transgendered			No discernible impact anticipated.
People who are in a marriage or civil partnership			No discernible impact anticipated.
Women who are pregnant / on maternity leave			No discernible impact anticipated.
Socio-economic impacts (Including impact on child poverty issues and deprivation)			No discernible impact anticipated.

Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			No discernible impact anticipated.
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10. Cumulative Council Impact

10.1 None

11. Cumulative Community Impacts

11.1 None