

**STOCKTON-ON-TEES BOROUGH COUNCIL**

**CABINET RECOMMENDATIONS**

**PROFORMA**

Cabinet Meeting .....14th July 2011

1. Title of Item/Report

Building Assets Review - update

2. Record of the Decision

Cabinet considered a report that presented the Asset Transfer Strategy for approval following an extensive consultation process. The report also outlined progress on the EIT review of building assets, including identification of some assets which were surplus to requirements.

Member were reminded that the overall aim of the building assets review was to focus on the Council's building estate to ensure that properties were being utilised efficiently and effectively. This included developing a strategic overview of facilities in the Borough and considering opportunities for rationalisation, re-location and combining of facilities. The potential opportunities linked to any known or planned service developments would also be considered.

The consultation had resulted in significant level of feedback and this had been considered in finalising the strategy. Many of the comments re-enforced the points included in the strategy and recognised that the Council was being proactive in responding to the Localism agenda and that there were potential benefits to all concerned. There were some concerns and the strategy had been revised to incorporate the points made. The main amendments were:

- Document had been restructured with National Framework brought to the beginning.
- Clarification that the Strategy related to the Voluntary and Community Sector and not other public bodies.
- Clarification that the Strategy included land as well as buildings
- Where a building was currently subject to lease arrangements, including those awaiting renewals:
  - o No third party could take ownership or transfer the asset without agreement of the current leaseholder
  - o Given the point above, there would be no requirement or benefit of advertising such a property to a wider market for transfer.
- 3 years for a business plan was considered potentially difficult for

some VCS organisations and this had been reduced to 2

- The need for any prospective transferring organisation to demonstrate robust consultation with users of the building, organisations involved in the management of the building, the wider local community and ward members.
- Strengthening of governance requirements, e.g. insurance and compliance with the Council's safeguarding policy
- The timescale was considered unachievable and this had been amended.

A proposed Strategy incorporating the amendments was provided.

The Consultation process identified a significant level of interest in support to the voluntary and community sector to support organisations potentially wishing to explore transfer. The Council itself would not be able to offer direct support do to potential conflicts of interest, however, it had organised a workshop for all interested parties on 26 July. The Council would also consider incorporating this requirement into any potential future community support specification.

Cabinet noted the progress with regard to vacating certain buildings. Wrensfild House would be surplus to the Council's requirements. The building suffered from flood risk, and as such there was minimal resale value. The options open to the Council were to demolish the building or explore the possibility of asset transfer, subject to the strategy being approved. Given that this would potentially create a community use of the building it was suggested that this be explored and the asset advertised in line with the strategy.

Cabinet noted the position with regard to community buildings and was reminded that the review was considering the utilisation of current buildings, the potential for improved utilisation and shared facilities and the most appropriate facility from which to deliver Council and Community based services. Work was still ongoing and this review would be influenced by a range of service reviews.

The review of community buildings would be undertaken alongside Surestart services and would report to Cabinet in November 2011.

A review had been undertaken of the commercial property portfolio. Baseline information had been gathered on the properties within the portfolio including data on current rents, annual outgoings and estimated freehold value. Members were provided with details.

An assessment had been undertaken to determine whether or not there was a financial/commercial case to dispose of the commercial property

portfolio. Disposal of all of the assets would generate a capital receipt of approximately £3.8m but would create a revenue pressure of £293,000 per year. On the basis of estimated property valuations, and in the context of the current property market, it was not considered to represent good value to dispose of the commercial property portfolio at the present time.

RESOLVED that

1. the Asset Transfer Strategy be approved.

2.the retention of the Commercial Properties within Council ownership be approved.

3. Wrensfield House be advertised for transfer.

3. Reasons for the Decision

To update Members on the progress of the Asset Review and approve the Asset Transfer Strategy.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

None

6. Details of any Dispensations

Not applicable

7. Date and Time by which Call In must be executed

Not later than Midnight on Friday 22 July 2011

Proper Officer  
18 July 2011