

<b>Report To:</b>	<b>STRATEGIC PLANNING AND CAPITAL MONITORING PANEL</b>
<b>Date:</b>	27 November 2017
<b>Reporting Officer:</b>	Robin Monk – Director of Place
<b>Subject:</b>	<b>CORPORATE ASSET MANAGEMENT PLAN UPDATE</b>
<b>Report Summary:</b>	<p>The attached report is intended to update members of the Strategic Planning and Monitoring Capital Panel with progress on the disposal of the Council's surplus assets, anticipated capital receipts that will be realised and investment that is required to maintain those buildings being occupied and retained or dilapidations arising from the termination of leases.</p>
<b>Recommendations:</b>	<p>That Strategic Capital Panel Members review the contents of the report and recommend to Executive Cabinet the:</p> <ol style="list-style-type: none"> <li>1. Approval of the list of disposals identified in <b>Appendix 1</b>; and</li> <li>2. Capital schemes on corporate buildings detailed in section 3.1 of the report total of £25,730.58. This will be funded from the earmarked resource of £3 million for Property Assets Statutory Compliance works.</li> </ol>
<b>Links to Community Strategy:</b>	To support the delivery of the objectives of the Community Strategy.
<b>Policy Implications:</b>	Expenditure in line with financial and policy framework. To assist in delivering a balanced budget and support the sustainability of the local economy.
<b>Financial Implications:</b> <b>(As authorised by the Section 151 Officer)</b>	<p>Substantial work has been undertaken in recent years to vacate, market and dispose of a number of sites of land and buildings that are surplus to requirements. The schedule of properties identified for disposal but not yet completed at <b>Appendix 1</b> will allow the Council to reduce its asset portfolio further and thereby avoid the on-going revenue costs associated with these properties.</p> <p>Progress with actual and forecast realisation of capital receipts from asset disposals need to be closely monitored on an on-going basis. The Council's Three Year Capital Programme assumes that over £49 million will be realised from the sale of land and buildings between 2017 and 2020 to fund proposed capital investment over the next three years. Failure to realise the forecast level of capital receipts is likely to require reassessment and reprioritisation of the Capital Programme.</p> <p>The Council's Three Year Capital programme includes earmarked resource of £3 million for Property Assets Statutory Compliance works. Identification and prioritisation of these works needs to be reported on an ongoing basis to understand the work that is being carried out. The works should be driven by a single Asset Management Plan and risk assessment process, to ensure effective use of limited resources.</p>

**Legal Implications:**

**(As authorised by the Borough Solicitor)**

Previous reports have included the following legal comments and Members should take these on board and ensure that they are satisfied that there is continuing compliance with the same, to ensure the service is improving on its efficiency and effectiveness.

The challenge to the Council is to ensure that its estate makes an effective contribution to improving the council's financial and business performance; the service delivery agenda; resolving the pressure on demands for estate capacity; and achieving change with minimal capital expenditure. We need to ensure that the buildings we need are fit for purpose and congruent with strategic service delivery. Accordingly, we need to ensure there is clarity and understanding as to the cost of ongoing repairs and maintenance and whether they are value for money. We need to ensure going forward that the assets set out in appendices are clearly linked to the references on the Transparency List of properties published in line with legislation as this was committed to at the last meeting and there is currently no time scale for doing so.

There needs to be close oversight and monitoring of the expenditure to be spent on property statutory compliance to ensure that we give value for money as this is an area in all councils where there can be significant leakage of monies.

We need to ensure that any repairs undertaken to properties fall within benchmarking to ensure achieving value for money. Land advertised as public open space should not be sold until any objections have been addressed. The process needs to be kept under review.

**Risk Management:**

The ownership and use of property carries with it a number of risks including health and safety, economic, financial, service delivery, statutory compliance and maintenance risks. It is therefore proposed to develop a risk register as part of the strategic review of the Councils assets to identify and manage risks.

**Access to Information:**

Any further information can be obtained from Robin Monk, Executive Director of Place who can be contacted on:



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## **1. INTRODUCTION**

- 1.1 A report detailing progress on the disposal of assets, realisation of capital receipts and assets requiring investment, was considered at the last meeting of the Strategic Capital Panel.
- 1.2 This report is intended to provide members of the Panel with a further update.

## **2. DISPOSAL OF ASSETS**

### **Disposal Strategy**

- 2.1 In the financial year 2016/17 the total sales achieved amounted to £3,929,550. The Asset disposal process continues with a sum of £1,029,476 achieved since 1 April 2017.
- 2.2 A public consultation exercise for the disposal of the five larger school sites has been completed and terms are agreed subject to contract for the sale of the former Samuel Laycock site, completion of which is to coincide with the grant of planning which is expected before the end of the year. An outline planning application has been submitted for the former Mossley Hollins school site and Section 77 consultations are nearing an end in respect of the former Two Trees School. Planning applications for Two Trees and Hartshead schools have been submitted and are awaiting approval. The master planning for the Windsor Road site in Denton is now almost complete.
- 2.3 Continued focus is being placed on future Auctions with work ongoing for a number of sites to be potentially sold at future Auctions.
- 2.4 Properties being actively marketed for sale or lease will be advertised on the Council's website, in addition to the marketing agents websites. Where potential disposals will impact on tenants, for example sale of garage or garden plots, which have become too expensive to administer, in accordance with existing policy that has been in place since 2012, written notification will be given to tenants in advance for the proposed sale and the tenant will be given the opportunity to purchase.
- 2.5 In accordance with section 123 of the Local Government Act 1972, land which is to be offered for sale at Auction, where appropriate, will be advertised for two consecutive weeks in the Tameside Reporter. The advert will provide an opportunity for the public to make representations to the Council in writing. Any representations will be considered and responded to by the Director of Place as the post of Assistant Executive Director, Asset & Investment Partnership Management no longer exists, in accordance with the key decision: 'Disposal of Council Owned Land', dated 25 March 2015 and updated in July 2017. In addition public notice boards are to be erected on sites to be sold to provide the public with advance notice of the Council's intention to dispose of any particular site.
- 2.6 Leased Buildings - As reported at previous meetings of the Panel, the Council's policy is to terminate leases it has for buildings owned by others and to relocate services to surplus space in Council owned properties, where this delivers value for money, to reduce the revenue cost of operating and occupying buildings.

**Appendix 1** provides additional information in respect of properties that have been identified for disposal or where tenants have sought to acquire the freehold of the properties that they lease.

**Appendix 2** lists the Capital Receipts realised as at 27 October 2017.

**Appendix 3** details briefly additional property work carried out by the team and achievements of note, such as securing increase at Rent reviews in favour of the Council, serving of break notices, any lease renewals and properties of note acquired.

### **3. INVESTMENT IN CIVIC AND CORPORATE BUILDINGS**

- 3.1 At the 9 October 2017 meeting of the Strategic Capital Panel it was agreed that the sum of £3,000,000 would be allocated over 3 years for the purpose of Property Assets Statutory Compliance. This money will be used to ensure that our property assets comply with all statutory building compliance issues e.g. fire regulations, asbestos management, electrical checks etc. Money spent on these requirements will be summarised and reported to Strategic Capital Panel on a regular basis.
- 3.2 During August and September 2017 a total of £25,730 capital monies was spent on a range of statutory and regulatory building improvements, this included remedial works from fire risk assessments and the replacement of unsafe infrastructures.

### **4. RECOMMENDATIONS**

- 4.1 As stated on the report cover

# APPENDIX 1

**List of Property Identified for Disposal 05 September 2016 but not yet completed at 27 October 2017.**

**N.B. This list only includes property above the value of £50,000.**

PROPERTY	TOWN	ASSET REF	
Former Hartshead High School, Lees Road	Ashton	3590 & 3591	
Two Trees former School Site	Denton	2202	
Mossley Hollins School Site, Huddersfield Road	Mossley	3984	
Denton Plant Nursery	Denton	450	
Land rear of 55-113 Bennett Street	Hyde	2680	
Former Samuel Laycock School, Mereside	Stalybridge	2733	
Land at Leigh Street	Hyde	2547	
Land at Windsor Road	Denton	1469	
Droylsden Canalside	Droylsden	1806	
Pole Bank Hall	Hyde	2444	
Park Bridge Visitor Centre	Ashton	726	May be leased instead
Land at Captain Clark Rd	Hyde	2264	
Droylsden Library, Manchester Road	Droylsden	1804	
Plot B Hattersley IE	Hyde	3908	
Land at Ashton Hill Lane	Droylsden	984	
Land at Broadway	Hyde	2262	
Katherine House	Ashton	2593	
Land at Queens Road	Ashton	4619	
Wellington Road	Ashton	2358	
Grazing land	Various		
Rydal House	Hyde	2591	
Land at Newmarket Grove	Ashton	1175, 1176 & 4557	
Leigh Fold	Hyde	3070	
Pine Road	Stalybridge	3666	
Morningside / Fairfield Avenue	Droylsden	188 & 3789	
Land adjacent to 222 Manchester Road	Hyde	2253	
Melbourne Street Car Park	Stalybridge	3881	
Land at Wakefield Road / Pennine View	Stalybridge	4312	
Plot A Hattersley IE	Hyde	3908	
High Street, Stalybridge	Stalybridge	3661	
Lake Road	Stalybridge	2378	
Cavendish Street	Ashton	2751	
Wakefield Road	Stalybridge	3947	
Residual Garage Sites	Various		

St. Lawrence Children's Home,	Denton	2095	
Kynder Street	Denton	1263, 1264 & 1266	
Old Street / Dale Street East, AUL	Ashton	3169	
Former Littlemoss School	Droylsden	1828	Free school application
Hyde Library & Union Street Building	Hyde		Health Hub
Newton Street / Spring Gardens	Hyde		SOLD 17/01/17
Johnsonbrook Road	Hyde		SOLD 24/03/17
Land at Hill Street	Ashton		Not proceeded
Stalydene School Site	Dukinfield		SOLD 09/01/17
Land at Boodle Street	Ashton		Not proceeded
Bankside House / Riverside House, Astley Street	Dukinfield		Not proceeded
Astley Street / Hadfield Street	Dukinfield		SOLD 19/12/16
Roughtown Community Centre	Mossley		Not proceeded
Crown Street Car Park	Ashton		Not proceeded
Land at Hadfield/Astley/Globe Sq	Dukinfield		Not proceeded
Wild Street	Dukinfield		SOLD 10/08/16
Land at Wild Street,	Dukinfield		Duplicate line
Land at Katherine Street	Ashton		SOLD 05/08/16
Unit 3 Hattersley Industrial Estate	Hyde		SOLD 12/08/16
Land at Water Street	Hyde		Not proceeded
M66 Highways Settlement	Various		SOLD 23/10/17
Land at Acres Lane	Stalybridge		SOLD 20/12/16
Pole Bank Depot	Hyde		Duplicate line

## APPENDIX 2

Completed Sales since 01 April 2017				
Asset ref	Property Address	Town	Completion Date	2017/2018 Completed Sales £
2763	Land adj to Lidl Supermarket	Ashton	29/06/2017	£21,600
1163	Land on John Street East, (rear of 25-27 Trafalgar Square)	Ashton	30/06/2017	£25,000
2355	Land at Oaken Clough / Oldham Road	Ashton	25/05/2017	£86,000
2457	Land on Vine Street	Ashton	16/06/2017	£5,000
1179	Land north of Lindisfarne Road	Ashton	23/08/2017	£160,000
1136	Land at Sunnyside, rear of 236-244 Newmarket Road	Ashton	15/08/2017	£25,000
2747	Land adj to 39 Uxbridge Street	Ashton		£29,000
190	Land at Williamson Lane / Ashton Hill Lane	Droylsden	24/05/2017	£40,000
743	Land on Bailey Street	Droylsden	13/10/2017	£33,010
3472	5 Dain Close	Dukinfield	21/06/2017	£3,000
3497	64 Jeffreys Drive	Dukinfield	05/05/2017	£3,990
2517	8 Shepley Close	Dukinfield	27/09/2017	£3,300
3386	4 Hall Green Close	Dukinfield	15/08/2017	£3,950
3472	20 Belvedere Drive	Dukinfield	14/07/2017	£3,615
3472	4 St John Street	Dukinfield	14/07/2017	£4,025
3472	8 Belvedere Drive	Dukinfield	25/08/2017	£3,890
3393	5 Moravian Close	Dukinfield	28/07/2017	£3,570
3491	24 Harold Avenue	Dukinfield	14/07/2017	£4,140
3472	7 Ogden Gardens	Dukinfield	15/09/2017	£4,220
3385	7a Old Road	Dukinfield	16/10/2017	£4,050
3451	10 Concord Way	Dukinfield	17/08/2017	£3,155
3472	28 James Close	Dukinfield	18/05/2017	£3,960
3514	Land rear of 51 Wedneshough Green	Hollingworth	09/06/2017	£1,000
2438	Land at Pitt Street (2)	Hyde	08/05/2017	£55,000
2671	Land corner of Markham Street / Dow Street	Hyde	09/06/2017	£80,000
4114	Land at Nield Street	Mossley	24/05/2017	£191,000
4126	Land at Stamford Road (opposite 80 to 94)	Mossley	15/08/2017	£40,000
	19 Brooklands Close	Mossley	26/05/2017	£26,500
4058	Land at Acres Lane / Cecil Street	Stalybridge	07/08/2017	£10,000
4057	Land at Cecil Street / Acres Lane	Stalybridge	07/08/2017	£5,000
4314	Land at Wakefield Road (next to 387)	Stalybridge	24/05/2017	£22,000
4232	Land at junction of Spring Street / Stamford Street	Stalybridge	24/05/2017	£11,000
	M60/M66 Highways Settlement	Various	23/10/2017	£111,051
	Residential ground rents under £1K value	Various	20/10/2017	£3,450
	<b>Total</b>			<b>£1,029,476</b>

## APPENDIX 3

### Leases Completed since 01 April 2017:

Council land/property	Location	Rental income per annum (£)
<b>New Leases to Tenants</b>		
Unit 1 Plantation Industrial Estate	Ashton	£21,312 pa
Unit 8a Plantation Industrial Estate	Ashton	£13,000 pa
Unit 8b Plantation Industrial Estate	Ashton	£12,350 pa
Unit 5 Plantation Industrial Estate	Ashton	£25,360 pa
Mast on land at Stockport Road	Hyde	£3,750 pa
Waterloo Childrens Centre	Ashton	£15,000 pa
<b>Tenant Lease renewals</b>		
Land at Wilshaw Lane	Ashton	£1,000 pa

### Other Transactions /works of note completed by the Estates Team since 01 April 2017:

- Terminal Dilapidations claim against the Council at Greencroft house, Hyde of £86,647 - Lease expired 20 April 2017. Dilapidations claim in negotiation.
- Aeroworks 5 Adair Street, Manchester – Break date of 03 June 2016 exercised on behalf of Greater Manchester Public Health Network (GMPHN). Awaiting claim from the Landlord
- M60/M66 Highways Settlement – In addition to the receipt of £111k we also received £70K commuted sum in lieu of the cost of laying out replacement open space

### Rent Reviews: (increases above £1,000 p.a.) since 01 April 2017

Hyde Physiotherapy Centre, Parsonage Street, Hyde	Rent Review 22.05.17	£3,250 pa increase
Land at Northend Road, Stalybridge	Rent Review 17.05.17	£2,200 pa increase
Kids Club at Corrie Primary School, Denton	Rent Review 21.04.17	£1,311 pa increase
Land at Broadway	Rent Review 10.10.17	£2,500 pa increase