

<b>Report To:</b>	<b>STRATEGIC PLANNING AND CAPITAL MONITORING PANEL</b>
<b>Date:</b>	13 March 2017
<b>Reporting Officer:</b>	Damien Bourke - Assistant Executive Director (Sustainable Growth and Assets) Ian Saxon – Assistant Director (Environmental Services)
<b>Subject:</b>	<b>CORPORATE ASSET MANAGEMENT PLAN UPDATE</b>
<b>Report Summary:</b>	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.
<b>Recommendations:</b>	That Strategic Capital Panel Members review the contents of the report and recommend to Cabinet that the: <ul style="list-style-type: none"> <li>a) Approval of the list of disposals identified in <b>Appendix 1</b>;</li> <li>b) The allocation of £125,526 to undertake building condition replacement / repair projects as detailed at paragraph 3.2</li> </ul>
<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>	Substantial work has been undertaken to vacate, market and dispose of a number of buildings. The schedule of 'properties for disposal but not yet completed' at Appendix one, will allow the Council to further reduce its asset portfolio and reduce the ongoing revenue costs associated with these properties.  Section 3.2 of this report sets out the reactive work which is required to buildings. There is currently no funding identified for these costs. The £125,526 for capital works requires approval to be funded and included within the Capital programme. Any revenue costs associated with this investment must be met from existing revenue budgets.  The current approach to repairs and maintenance is purely reactive which does not allow the Council to undertake works in the most efficient or effective way. A repairs and maintenance strategy should be developed, which would support condition surveys on buildings and allow for a forward plan of works to be produced. This would need to be supported with an appropriate budget which should be the subject of a future report.
<b>Legal Implications:</b> <b>(As authorised by the Borough Solicitor)</b>	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 and we need are fit for purpose and congruent with

strategic service delivery. Accordingly, we need to have much more 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.

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 regular 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:**

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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 The Asset Disposal process continues apace with a figure of £2,937,890 achieved since 01 April 2016.
- 2.2 Planning, Public Consultations and Section 77 consultations are now well underway on the 5 larger school sites and a process of active marketing is also on track. Work is underway on masterplanning the large site at Windsor road in Denton and discussions around a potential disposal are ongoing.
- 2.3 Continued focus is being placed on future Auctions with 8 sites being submitted for February 2017 and 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, written notification will be given to tenants in advance for the proposed sale.
- 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 the Council's intention to dispose of such sites 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 Assistant Executive Director, Asset & Investment Partnership management in accordance with the key decision: 'Disposal of Council Owned Land', dated 25 March 2015.
- 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 03 March 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 There is currently no reactive maintenance budget included within the corporate landlord budgets and any emergencies or upgrading of the buildings requires a request for

additional investment to be made to the Panel for approval by Cabinet. In the past few months a number of repairs have been requested for civic and operational buildings for which there is no revenue or capital budget allocation. Analysis of capital spends for October 2016 to January 2017 is £100,526 and an estimation for February 2017 of £25,000 in totalling £125,526. In addition there has been spend of approximately £132,200 revenue type spend in the same period i.e. October 2016 to January 2017.

- 3.2 The analysis of the capital investment required in respect of health and safety /essential operational works is below. In some cases these works have already had to be undertaken to allow the buildings to remain operational:

Building	Estimated Cost
	£
Ashton Market Hall, upgrades to doors and security systems and lighting.	5,271
Ashton Town Hall, new fire wall & doors and fan improvements	4,097
Birch Lane Family Support Centre and Family First shutter door upgrade	460
Blockages Playing fields- Changing Pavilion and YPC Health & Safety	280
Clarence Arcade No 31 Health & Safety fire door upgrade	752
Clough Fold Road Children's Home, Health and Safety and new equipment boiler and shower upgrade	8,572
Concord Suite, Health & Safety roof works	510
Denton Centre (Acre Street),Health & Safety boiler upgrade	275
Droylsden Library, heating system and alarm upgrade	2,668
Droylsden Resource Centre, Health & Safety upgrade to main gates	260
Dukinfield Branch Library step and door improvement works	764
Dukinfield Cemetery and Crematorium health and safety rewire	4,718
Dukinfield Town Hall, ceiling, electrical, lift and door upgrade	5,099
Fairfield Children's Centre health and safety works	255
Fairfield Community Centre alarm and door upgrade	738
Flowery Centre – Children's Centre heating pump upgrade	627
Hattersley Children's Centre Aka Melandra Children's Centre shutter door upgrade	552
Hegginbotham Mill emergency lighting upgrade	4,515
Hollingworth Community Centre CBC unit improvement works	3,162
Hurst Resource Centre health and safety new steel ladder	1,881
Hyde Town Hall & new Annex guard rail, new water heater and ceiling upgrade	5,305
Jubilee Gardens Children with Disabilities Centre heating upgrade	5,684
Loxley House new main entrance automatic sliding door	2,810
Ryecroft Hall & Annexe various health and safety items replaced and upgraded	19,620
St Lawrence Road Children's Home health and safety wall works	411
St Peters Children's Centre flooring and roofing works	2,439
Stalybridge Library life improvement works	513
Stamford Park skylight, internal door and fan upgrade	3,150
Tame Street Depot Health and Safety roof works	897
Tame Street Transport Services door, electrics, overhead lighting and shutter door upgrade	3,594
Tameside Central Library new external air extractor and roof works	5,909
Two Trees ongoing drain improvements and CCTV survey	3,980
Wilshaw House (Vision First Centre) fire alarm upgrade	758
Estimated capital expenditure for February 2017	25,000
<b>TOTAL</b>	<b>125,526</b>

## **4. RECOMMENDATIONS**

4.1 These are set out at the front of the report.

# APPENDIX 1

List of Property Identified for Disposal but not yet completed at 03 March 2017.

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

Property Address	Town
Former Hartshead High School site, Lees Road	Ashton
Park Bridge Visitor Centre	Ashton
Land at Hill Street	Ashton
Land at Queens Road	Ashton
Land at Newmarket Grove	Ashton
Old Street / Dale Street East, AUL	Ashton
Land at former Katherine House, Katherine Street / Bentinck Street	Ashton
Wellington Works, Wellington Road / Uxbridge Street	Ashton
Land at Cavendish Street / Moss Street East / Cotton Street East	Ashton
Land on Langham Street	Ashton
Two Trees School Site	Denton
Land at Windsor Road	Denton
Land at Kynder Street / Duke Street / Market Street	Denton
Denton Plant Nursery	Denton
Land at Hawthorn Road	Denton
St. Lawrence Children's Home	Denton
Land at Morningside / Fairfield Avenue	Droylsden
Droylsden Canalside	Droylsden
Droylsden Library, Manchester Road	Droylsden
Land at Ashton Hill Lane (adj Lazy Toad Pub)	Droylsden
Land at Kershaw Street / Mellor Street	Droylsden
Land at Haughton Street	Hyde
Land at St Marys Road	Hyde
Land rear of 55-113 Bennett Street	Hyde
Land at Leigh Street	Hyde
Land at Johnsonbrook Road	Hyde
Land at Captain Clark Rd	Hyde
Land at Broadway	Hyde
Rydal House	Hyde
Land at Leigh Fold	Hyde
Land adjacent to 222 Manchester Road	Hyde
1 Broadway	Hyde
Land at Pitt Street (2)	Hyde
Plot B Hattersley IE	Hyde
Plot A Hattersley IE	Hyde
Mossley Hollins, Huddersfield Road	Mossley
Land at Higher Tame Street / Alma Street / Knowl Street	Stalybridge
Melbourne Street Car Park	Stalybridge
Former Samuel Laycock School, Mereside	Stalybridge
Land at Pine Road (next to St John's)	Stalybridge
Land at Wakefield Road / Pennine View	Stalybridge

Land at High Street (west of Pine Road)	Stalybridge
Land at High Street (east of Pine Road)	Stalybridge
Land at Lake Road	Stalybridge
Land at Wakefield Road / Carter Street	Stalybridge
Land at Castle Street	Stalybridge
Residual Garage Sites	Various

## APPENDIX 2

<b>Completed Sales since 1st April 2016</b>			
<b>Property Address</b>	<b>Town</b>	<b>Completion Date</b>	<b>2016/2017 Completed Sales £</b>
292-322 Katherine Street	Ashton	05/08/2016	£125,000
Plot 4 Langham Industrial Estate	Ashton	04/07/2016	£105,000
Land Adjacent 72 Penny Meadow & Oldham Road/Dunkerley St	Ashton	15/11/2016	£69,500
Land at Ripon Street	Ashton	19/04/2016	£50,000
Land at Charlestown Industrial Estate	Ashton	21/02/2017	£50,000
Land at West Street	Ashton	15/11/2016	£31,000
Land At Oxford St East	Ashton	11/01/2017	£77,000
Land at King's Road	Ashton	20/05/2016	£26,000
Land at 110/112 Kelvin Street	Ashton	20/05/2016	£25,500
Land at 23 Jersey Street	Ashton	20/05/2016	£11,000
Land at 139 Whiteacre Road	Ashton	20/05/2016	£9,000
Site of 42-56 Audenshaw Road	Audenshaw	21/07/2016	£87,500
Land at Guide Lane/East St	Audenshaw	06/01/2017	£32,000
Land At Oldham Street/Catherine St West	Denton	06/01/2017	£74,000
Land Adjoining 80 Ashton Road	Denton	15/11/2016	£20,000
Land rear of 16 Langford Street	Denton	20/10/2016	£1,250
The Wharf - Overage payment	Droylsden	31/01/2017	£107,417
Land at Marina Road	Droylsden	11/10/2016	£45,000
Land at Ashton Hill Lane	Droylsden	09/01/2017	£50,000
Land at Hart Street	Droylsden	11/10/2016	£60,000
Astley Street / Hadfield Street	Dukinfield	19/12/2016	£175,000
Land at Wild Street Dukinfield	Dukinfield	10/08/2016	£140,000
Land at Cheetham Hill Road	Dukinfield	20/05/2016	£64,000
Land rear 153 King Street	Dukinfield	24/02/2017	£48,500
Land at Birch Lane	Dukinfield	11/10/2016	£78,000
Land at Smith Street	Dukinfield	20/05/2016	£20,500
Land At Oxford Road	Dukinfield	22/12/2016	£25,000
Land At Astley St	Dukinfield	11/01/2017	£35,000
Stalydene School Site, Pickford Lane	Dukinfield	09/01/2017	£191,000
Land adj. 15 Lodge Lane	Dukinfield	20/05/2016	£7,000
52 Jeffreys Drive	Dukinfield	16/12/2016	£3,300
Land at Newton Street / Spring Gardens	Hyde	17/01/2017	£300,000
Unit 3 Hattersley Industrial Estate	Hyde	02/08/2016	£110,000
Land at Manchester Road/Clark Way	Hyde	15/11/2016	£48,000
Land at the Junction of Newton Street/Clark Way	Hyde	15/11/2016	£32,000
Land at Catherine Street / Manchester Road	Hyde	14/09/2016	£27,000
Land Adjoining 60 Ashton Road	Hyde	15/11/2016	£22,000
Land adjacent to 47 Clarendon Place	Hyde	15/11/2016	£19,000
Land adjacent to 42 Manchester Road	Hyde	15/11/2016	£16,000
Land at Villiers Street	Hyde	20/05/2016	£41,000



Land at Throstle Bank Street	Hyde	11/10/2016	£38,000
Land at Bottom Street	Hyde	07/07/2016	£5,500
Land at Steeles Avenue	Hyde	07/07/2016	£5,000
13 West Park	Hyde	12/07/2016	£2,000
Land rear of 39 Broadbottom Road, Mottram	Hyde	28/04/2016	£1,500
15 Buckland Grove	Hyde	21/10/2016	£19,961
Land at Midge Hill	Mossley	26/05/2016	£25,000
Land at Grosvenor Street	Stalybridge	20/05/2016	£55,000
Land at Lawton Street / Acres Lane	Stalybridge	20/12/2016	£52,500
Land adj 59 Stamford St	Stalybridge	06/01/2017	£40,500
Land at Woodend Drive	Stalybridge	15/11/2016	£18,500
Land at Cambridge Street / Church Street	Stalybridge	17/05/2016	£18,000
Land at Kinder Street	Stalybridge	11/10/2016	£5,000
Land at Sycamore Street / Set Street	Stalybridge	11/10/2016	£21,000
Land adj. 23 Huddersfield Road	Stalybridge	06/07/2016	£9,000
Land rear of 1-3 Kensington Grove	Stalybridge	26/07/2016	£4,000
Land rear of 4-5 Kensington Grove	Stalybridge	26/07/2016	£1,520
Gorse Hall Day Centre	Stalybridge	07/07/2016	£150,000
Land adj 376 Huddersfield Road, Millbrook	Stalybridge	12/07/2016	£6,000
Residential ground rents under £1K value	Various	23/11/2016	£1,442
			<b>£2,937,890</b>

## APPENDIX 3

### Acquisition of Leasehold Premises

Second Floor Offices, Stamford Chambers, New Lease for occupation by Adult Education Services team.	Ashton	3 year lease from 04/10/16	£37,550 pa
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### Leases Completed since last report:

Council land/property	Location	Rental income per annum (£)
<b>New Leases to Tenants</b>		
Unit 5 Charlestown Industrial Estate	Ashton	£6,000 pa
Unit 7 Hattersley Industrial Estate	Hattersley	£8,555 pa
Land at corner of Warre Street/Turner Lane	Ashton	£3,000 pa
<b>Tenant Lease renewals</b>		
Land at Moorcroft Street	Droylsden	£4,500 pa

### Other Transactions /works of note completed by the Estates Team since the Last Report:

- Terminal Dilapidations claim against the Council at Greencroft house, Hyde of £86,647 - Lease expiry date April 2017.
- Aeroworks 5 Adair street, Manchester – Break date of 3<sup>rd</sup> of June 2016 exercised- on behalf of Greater Manchester Public Health Network (GMPHN). Dilapidations claim against the Council ongoing.
- “Learn” at St Annes, Burlington St. Ashton- Adult Education- Lease terminated from 31<sup>st</sup> August 2016. Vacating shortly. Dilapidations claim against the Council of £113,821 received

### Rent Reviews: (increases above £1,000 p.a.)

#### November 2016 – January 2017

Land at Globe Square, Dukinfield	Rent Review 04.11.16	£8,550 pa increase
Donneybrook House Clarendon Street	Rent Review 05.01.17	£5.500 pa increase