



EXECUTIVE DECISION NOTICE

SERVICE AREA:	GROWTH Strategic Property
SUBJECT MATTER:	THE PROCUREMENT OF PROFESSIONAL SERVICES TO REVIEW THE REMAINING COUNCIL PROPERTY ASSET PORTFOLIO AND TO ENABLE THE DISPOSAL OF SURPLUS PROPERTY
DECISION:	<p>That it be determined to approve the procurement of:</p> <ul style="list-style-type: none">(i) professional services to review the remaining Council property asset portfolio to support an accelerated asset disposal programme. The cost of such engagement to not exceed £ 100,000(ii) commercial selling agent services to enable the marketing and disposal of surplus assets. That the related costs will be offset against the associated capital receipts. <p>Subject to the necessary non disclosure and professional indemnities being provided to protect the Council's position.</p>
DECISION TAKER(S):	Cllr Oliver Ryan
DESIGNATION OF DECISION TAKER (S):	Executive Member for Finance and Economic Growth
DATE OF DECISION:	2 December 2020
REASON FOR DECISION:	To support the asset disposal programme.
ALTERNATIVE OPTIONS REJECTED (if any):	Do nothing.
CONSULTEES:	none.
FINANCIAL IMPLICATIONS: (Authorised by Section 151 Officer)	<p>As part of the 2020/21 budget process a £300k non recurrent budget was established to support the production of key growth strategies, including the Strategic Asset Management Plan (SAMP). It is proposed that a maximum of £100k of this is allocated towards commissioning a review of 1,500 non-core assets held by the Council with a view to developing a disposals strategy that will generate capital receipts for the reinvestment into the borough.</p> <p>The current capital programme was facing a shortfall of approximately £5m prior to the identification of around £15m of asset sales, approved by Executive Cabinet for disposal on 30 September.</p> <p>The identifying of additional capital receipts will therefore support the Councils capital ambitions and this work is necessary to ensure that the right assets are identified for disposal.</p>



	There is a competitive market for this type of work and therefore a comprehensive procurement should take place to ensure that value for money will be achieved.
LEGAL IMPLICATIONS: (Authorised by Borough Solicitor)	<p>As set out in the main body of the report the decision maker is working with STAR in relation to the procurement of the professional services.</p> <p>This procurement advice is essential to ensure that a compliant procurement is undertaken both in relation the Procurement Regulations, The Treaty of Rome and also the Council's own standing Orders and Contract Procedure Rules.</p> <p>It is necessary that the appropriate Non-Disclosure Agreements and Indemnities are in place to protect the Council's position.</p>
CONFLICT OF INTEREST:	None
DISPENSATION GRANTED BY STANDARDS COMMITTEE ATTACHED:	N/A
ACCESS TO INFORMATION:	<p>The background papers relating to this report can be inspected by contacting Mathew Chetwynd</p> <p> Telephone: 0161 342 3413</p> <p> E-mail: mathew.chetwynd@nhs.net</p>



Signed.....Dated 2 December 2020
 Cllr Oliver Ryan - Executive Member for Finance and Economic Growth

EXECUTIVE DECISION REPORT

SERVICE AREA:	GROWTH Strategic Property
SUBJECT MATTER:	THE PROCUREMENT OF PROFESSIONAL SERVICES TO REVIEW THE REMAINING COUNCIL PROPERTY ASSET PORTFOLIO AND TO ENABLE THE DISPOSAL OF SURPLUS PROPERTY
DATE OF DECISION:	2 December 2020
DECISION TAKER(S):	Cllr Oliver Ryan
DESIGNATION OF DECISION TAKER (S):	Executive Member for Finance and Economic Growth
REPORTING OFFICER:	Jayne Traverse - Director of Growth
REPORT SUMMARY:	<p>To approve the procurement of professional services to review the remaining Council property asset portfolio to support an accelerated asset disposal programme. The cost of such engagement to not exceed £100,000.</p> <p>The asset review work is part of the SAMP process. A budget was approved by Council in Feb 2020 to undertake this work as part of our asset management programme. There is insufficient resource internally to undertake a review of 1,500 assets to produce a disposal list of approximately 500 assets. By commissioning the work this will mean we can deliver on our asset disposal programme, our housing delivery plan and property rationalisation and social care housing budget savings work much more quickly. This work is crucial for the capital programme and future financial Stability of the organisation. The SAMP report approved by Cabinet In July 2020 advised that the asset reviews would form one of the next stages of our asset management work. The report seeks authority to utilise an existing budget to drive forward this work.</p>
RECOMMENDATION:	<p>(i) To approve the procurement of professional services to review circa 1,500 properties from the Council's property asset portfolio to produce a disposal list of approximately 500 assets to support an accelerated asset disposal programme. The cost of such engagement to not exceed £100,000.</p> <p>(ii) To approve the procurement of commercial selling agent services to enable the marketing and disposal of surplus assets. That the related costs will be offset against the associated capital receipts.</p>
JUSTIFICATION FOR THE DECISION:	To support an accelerated asset disposal programme.
ALTERNATIVE OPTIONS REJECTED (if any):	Do nothing.

CONSULTEES:	Executive Member for Finance and Economic Growth
FINANCIAL IMPLICATIONS: (Authorised by Section 151 Officer)	<p>As part of the 2020/21 budget process a £300k non recurrent budget was established to support the production of key growth strategies, including the Strategic Asset Management Plan (SAMP). It is proposed that a maximum of £100k of this is allocated towards commissioning a review of 1,500 non core assets held by the Council with a view to developing a disposals strategy that will generate capital receipts for the reinvestment into the borough.</p> <p>The current capital programme was facing a shortfall of approximately £5m prior to the identification of around £15m of asset sales, approved by Executive Cabinet for disposal on 30 September.</p> <p>The identifying of additional capital receipts will therefore support the Councils capital ambitions and this work is necessary to ensure that the right assets are identified for disposal.</p> <p>There is a competitive market for this type of work and therefore a comprehensive procurement should take place to ensure that value for money will be achieved.</p>
LEGAL IMPLICATIONS: (Authorised by Borough Solicitor)	<p>As set out in the main body of the report the decision maker is working with STAR in relation to the procurement of the professional services.</p> <p>This support is essential to ensure that a compliant procurement is undertaken both in relation the Procurement Regulations, The Treaty of Rome and also the Council's own standing Orders and Contract Procedure Rules.</p> <p>It would be advisable for an open competitive procurement exercise to be undertaken but if the Decision Taker chose to appoint via Bloom then it would be advisable to ensure that appropriate Non-Disclosure Agreements and Indemnities are in place in addition to the usual terms of engagement under Bloom.</p>
CONFLICT OF INTEREST:	None
DISPENSATION GRANTED BY STANDARDS COMMITTEE ATTACHED:	N/A
ACCESS TO INFORMATION:	<p>The background papers relating to this report can be inspected by contacting the report author by:</p> <p> Telephone: 0161 342 3413</p> <p> E-mail: mathew.chetwynd@nhs.net</p>

1 BACKGROUND

- 1.1 Members are reminded that on 30 September 2020 the Executive Cabinet approved a report to dispose of a schedule of Council property assets across the borough. The report explained that the incidental revenue costs of asset disposals (such as marketing and legal costs) can be offset against the capital receipt up to a maximum agreed capped percentage of the gross capital receipt (on an asset by asset basis). The cap will be determined on market comparables of such fees and set as a percentage of Gross Capital Values. Where significant additional costs are anticipated or required (such as demolition and site clearance costs), these costs will need to be met from either existing revenue budgets or additional revenue or capital budget approvals, which will result in additional financial pressures in the short to medium term. If site preparation activity is deemed to enhance the future value of the site, then such additional costs may be financed from capital resources. This will minimise the short term revenue budget pressures but places further demands on the financing requirements of the Capital Programme.
- 1.2 Members are asked to note that the Director of Growth and associated officers are working with STAR to procure commercial selling agent services to enable the marketing and disposal of the assets referred to in the aforementioned Executive Cabinet decision. It is envisaged that the related costs will be offset against the associated capital receipts realised in line with the predetermined cost cap threshold. These costs will be subject to stringent monitoring with updates on disposal progression reported to Members during the existing capital programme reporting cycle
- 1.3 It is also proposed that Members approve the procurement of professional services to review the remaining Council property asset portfolio to support an accelerated asset disposal programme. Again the procurement of these services will be led by the Director of Growth and associated officers with STAR. The cost of this engagement will be financed via a £300,000 non-recurrent sum allocated to the Growth Directorate revenue budget in 2020/21 to support a number of priority programmes and initiatives within the directorate. The sum allocated to support this programme shall not exceed £ 100,000. The outcome of the asset reviews will help inform the council's corporate savings and financial strategy work being undertaken 2020/21.
- 1.4 The outcome of this review will be reported to Members in the 2nd Quarter of the 2021/22 Financial Year.

2 OTHER OPTIONS CONSIDERED

- 2.1 Having reviewed the current work load of the Estates Team, additional professional resource is needed to support an accelerated asset disposal programme.

3 FINANCE

- 3.1 Members are requested to approve the procurement of professional services to review the remaining Council property asset portfolio to support an accelerated asset disposal programme. The procurement of these services will be led by the Director of Growth and associated officers with STAR. The cost of this engagement will be financed via a £ 300,000 non-recurrent sum allocated to the Growth Directorate revenue budget in 2020/21 to support a number of priority programmes and initiatives within the directorate. The sum allocated to support this programme shall not exceed £ 100,000.
- 3.2 It is essential that Members receive regular updates on the outcome of the review once commissioned.

4 RISKS

- 4.1 If the Council does not procure additional resource the asset disposal programme will be delayed with consequent delays in capital receipts being obtained. The Council will also incur in some instances additional costs of maintaining empty properties such as additional security costs.

5 RECOMMENDATIONS

- 5.1 As set out on the front of the report.