

Causeway Coast and Glens Borough Council

To: Corporate Policy and Resource Committee

Capital Asset Realisation Team

15th September 2015

For Decision

Report to Committee

Linkage to Interim Corporate Plan	
Strategic Themes	Transition and Transformation Prosperity
Lead Officer	Richard Baker - Director of Leisure & Development Aidan McPeake – Director of Environmental Services
Cost: (If applicable)	Self Financing

The purpose of this report is to present the concept and benefits of a Capital Assets Realisation to Members and to seek Members' authority to initiate a Capital Assets Realisation Team in Council.

Background

The merging of the four Councils to form Causeway Coast and Glens Borough Council presents an opportunity to Members to consolidate and rationalise Council's land and property holdings and to dispose of land and property that is no longer in use or needed. This can be done by Council forming a Capital Assets Realisation Team (CART) and can provide Council with a range of benefits as discussed further below.

Sale of redundant land and property

Sale of redundant land and property brings the following benefits;

- Capital value of sale – this capital can be used to pay for capital projects that Council needs or to reduce the current level of Council borrowing (or a combination of both).
- Reduced revenue costs – disposal of redundant assets reduces Council's annual revenue budget by removing unnecessary maintenance, heat, light, power, insurance and staff time costs.
- Increased sustainability of facilities – disposal of unused property helps to increase the sustainability of current facilities.
- Regeneration benefits – making unused land and property available to the open market allows the private sector to bring them back into productive use.

Work required – Terms of Reference

The following steps are required to enable Council to consolidate and rationalise its land and property portfolio to achieve the benefits outlined;

- Consolidation of the asset registers of the four legacy Councils to understand the full extent of land and property in Councils ownership; this work is well underway in any case to facilitate other areas of the convergence process.
- Identification of all currently unused and redundant land and property on the consolidated asset register.

- Adoption of a presumption in favour of disposal of unused and redundant land and property unless there is a sound business case for its retention.
- Identification of the optimum disposal route for potential saleable assets. For example issues like straight sale, rental and lease or royalty arrangements have to be considered as well as options to add value by sales with planning permission, land assembly options, development briefs and the optimum timing of disposals.
- As work progresses, periodic presentation of the results to Members for decision in terms of what can be disposed of and what Members wish to be retained.
- Once Members have identified each piece of land or property that can be disposed of, transaction and closure of the disposal at best value to Council.
- Many parts of the Council area have multiple Council owned and other government buildings in close proximity to each other and potential exists through initiating service reviews and exploring partnership working opportunities to identify further assets for disposal in such circumstances.

If Members approve the principle of this work proceeding, it is likely to be ongoing for a number of years with officers bringing tranches of land and property to Members for consideration and decision every 3 – 6 months.

Next Steps

The next step is to form the Capital Assets Realisation Team to progress this work. Project management of the team can be provided by Council's Strategic Programme and Projects Manager (who is seconded from the Strategic Investment Board which has operated the central government Asset Management Unit performing a similar function for the NI Executive for the last five years). The Terms of Reference of the Team would be as at discussed in this report.

Strategic Investment Board can also provide specialist staff support to the Council Capital Asset Realisation Team under existing arrangements and through its Asset Management Unit framework contracts for services such as land and property valuations and disposal advice. A working budget of £50k is required to initiate this work but it will become self-financing as the first tranche of disposals come to fruition.

An invitation will be extended to the Director of the Strategic Investment Board Asset Management Unit to attend Council to brief Members on the results achieved by the Unit to date in relation to their work on the central government estate.

Recommendation

Members are asked to adopt this report and to authorise the initiation of a Capital Assets Realisation Team on the basis described.