

Cabinet Committee - Asset Disposals – Meeting held on Thursday, 12th January, 2023.

Present:- Councillors Swindlehurst (Chair), Ajaib, Anderson, Hulme and Mann

PART 1

25. Declarations of Interest

No interests were declared.

26. Minutes of the meeting held on 15th December 2022

Resolved – That the minutes of the meeting held on 15th December 2022 be approved as a correct record.

27. Disposal of the Adelphi Theatre, Slough

The Executive Director Housing and Property set out details of the report which related to the disposal of the Adelphi Theatre, Bath Road. The site was acquired by the Council in 2018 for £4.6m as part of the Chalvey Regeneration Strategy. Although not a listed building, the purchase was intended to protect the building from unsympathetic redevelopment.

Following a due diligence process the sale reflected best consideration reasonably obtainable for the disposal of the asset. It was highlighted that the sale would generate a net revenue saving of £0.464m from the reduction in borrowing costs less the loss of rental income. The agreed offer price of £4.025m capital receipt would be applied to reduce borrowing and the Council's Minimum Revenue Provision.

It was noted that whilst the building was not a listed building, it held significant local interest. A Member asked what provisions were in place to ensure that the site was protected and was informed that the purchaser had agreed to enter into a Deed of Covenant with the Council which would prevent demolition, any structural works or alteration to the façade of the Adelphi for a period of five years. Members were informed that it was proposed that the site was to be used as a banqueting suite and that the preferred bidder had a confirmed track record of similar undertakings across the south-east.

Committee Members welcomed the report stating that it secured the best possible outcome for the town. Disposal of the asset afforded the best protection to the integrity and features of the building whilst realising the value of the property.

Recommended to Cabinet:

- a) Agree to the Council sale of the Adelphi, Slough with the bidder named in Appendix 2 to the report;

- b) Delegate authority to the Executive Director of Property and Housing, in consultation with the Lead Member for Financial Oversight and Council Assets and the Executive Director of Finance and Commercial, to negotiate the terms of and enter into the contract and any associated documentation in connection with the disposal consistent with the disposal report and Heads of Terms appended at Confidential Appendices 1 and 2 to the report.

28. Asset Disposal Update and Declaration of Surplus Properties

The Committee received an update on the current progress of the Assets Disposal Programme. To date, 20 property assets had been approved by Cabinet as “surplus” and Member approval was sought for a further 8 properties, as set in Appendix 3 to the report, to be recommended for marketing.

In response to a Member question relating to the sales process for the sites, the Executive Director of Housing and Property clarified that although direct bids were welcome; all interested parties would be required to apply through - and comply with - the appropriate agreed procedures. An open and competitive process would be carried out to ensure that the Council achieved best consideration from asset disposals.

The Cabinet Member for Financial Oversight and Council Assets highlighted that the asset disposal programme had generated capital receipts of £172.745m to date. It was expected that sales currently in the pipeline, plus repayments of loans to third parties would take the total to in excess of £210m by 31 March 2023. The Council would therefore have achieved its original target to generate £200m of capital receipts by 1 April 2024, 12 months earlier than expected. As a consequence, the forecast Minimum Revenue Provision charge for 2023/24 had more than halved to £11.566m. The impact on interest charges was largely neutral because although the Council has been able to repay a substantial amount of temporary borrowing, increases in interest on the remaining temporary loans had matched the interest savings from repaying borrowing. Temporary borrowing was £218m at 31 December 2022, which was virtually half the £406m outstanding at 31 December 2021.

In agreeing to bring forward from 2023/24 the additional 8 properties as set out in the report, this would substantially accelerate the asset disposal programme. The Council would thus be well placed to generate sufficient capital receipts such that it would be able to fully repay all temporary borrowing by September 2023 and well ahead of schedule to fully fund the Capitalisation Direction.

The Committee welcomed details of the report, in particular that the programme was ahead of schedule in terms of generating receipts which would contribute significantly towards improving the Council’s overall financial position.

Resolved –

- a) That current progress achieved in the disposal of assets where authority has been approved by Cabinet be noted.
- b) That the status of the pipeline of future assets being brought forward for disposal be noted.
- c) That the declaration of the assets listed in Appendix 3 be approved as surplus and to delegate authority to the Executive Director of Housing and Property, in consultation with the appropriate lead member and the Executive Director of Finance and Commercial, to market these assets for disposal.

29. Exclusion of Press and Public

The Committee was able to conduct all business in the public part of the meeting without disclosing any of the exempt information in Part II of the published agenda. It was therefore not necessary to exclude the press and public.

Chair

(Note: The Meeting opened at 4.34 pm and closed at 5.02 pm)