

Cabinet Committee - Asset Disposals – Meeting held on Thursday, 15th December, 2022.

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

Apologies for Absence:- Councillor Anderson and Mann

PART 1

22. Declarations of Interest

No interests were declared.

23. Minutes of the meeting held on 17th November 2022

Resolved – That the minutes of the meeting held on 17th November 2022 be approved as a correct record.

24. Asset Disposal Programme Update

The Committee received an update report on the current progress of the Asset Disposals Programme and the future pipeline of assets being brought forward for disposal. An update report would be brought to each meeting of the Committee so that progress was monitored and transparently reported.

The disposal programme had commenced in July 2022 with the marketing of the four out of borough assets owned by the Council. The Asset Disposal Strategy had been approved by Cabinet in October 2022. A total of 8 properties had now been marketed of which 4 had exchanged; 3 had completed; and several others were at advanced stages of negotiation.

The disposal programme had generated £178.33m in capital receipts which was significantly above the baseline target for the 2022/23 financial year of £108m. The early disposal of assets meant that over 50% of the programme's target receipts (£335m) had been achieved within the first six months of a five-year plan. Asset sales to date included the Akzo Nobel site, Euroway in Bradford, Wickes site in Wolverhampton and the Odeon in Basingstoke. A number of questions about the progress of specific properties were asked including 2 Victoria Street and 34 Herschel Street which the Committee had previously requested be further considered to assess whether they could be brought back into use for temporary accommodation. It was noted that work to explore this option was still ongoing and an update would be provided in future reports.

The Committee considered the risks to future delivery and noted that market conditions nationally had deteriorated. The economic climate was uncertain, interest rates were rising and property values overall had fallen since the summer. The sequencing of marketing and sales would be scheduled to ensure best consideration was achieved in these challenging market

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conditions. Members commented that assets in Slough were generally achieving above their valuations and this was an encouraging indicator for future disposals.

The lessons learnt from the first phase of the programme as summarised in section 2.14 of the report were reviewed. The Committee welcomed the approach to evaluate the performance of the programme at an early stage and identify and implement improvements. Members discussed how the quality of independent valuations could be improved; the performance management of Avison Young; and the consideration of overage clauses at an early stage of each disposal. There was also discussion about the relationship between General Fund and Housing Revenue Account assets.

At the conclusion of the discussion the Committee welcomed and noted the report. It was positive that the programme was ahead of schedule in terms of generating receipts as this had the potential to significantly improve the Council's financial position. The Chair thanked Officers for the work they had done throughout the year on delivering the programme.

Resolved –

- (a) That the progress achieved in the disposal of assets where authority has been approved by Cabinet be noted; and
- (b) That the status of the pipeline of future assets being brought forward for disposal be noted.

Chair

(Note: The Meeting opened at 4.33 pm and closed at 5.00 pm)