

Date of issue: Wednesday, 7 December 2022

MEETING:	CABINET COMMITTEE - ASSET DISPOSALS
	Councillor Swindlehurst Leader - Council Recovery, Forward Strategy & Economic Development
	Councillor Ajaib Customer Services, Procurement & Performance
	Councillor Anderson Financial Oversight & Council Assets
	Councillor Hulme Children's Services, Lifelong Learning & Skills
	Councillor Mann Deputy Leader - Housing & Planning
DATE AND TIME:	THURSDAY, 15TH DECEMBER, 2022 AT 4.30 PM
VENUE:	COUNCIL CHAMBER - OBSERVATORY HOUSE, 25 WINDSOR ROAD, SL1 2EL
DEMOCRATIC SERVICES OFFICER: (for all enquiries)	NICHOLAS PONTONE 01753 875120

NOTICE OF MEETING

You are requested to attend the above Meeting at the time and date indicated to deal with the business set out in the following agenda.



STEPHEN BROWN
Chief Executive

**AGENDA
PART I**

<u>AGENDA ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
	Apologies for absence.		
1.	Declarations of Interest	-	-

All Members who believe they have a Disclosable Pecuniary or other Interest in any matter to be considered at the meeting must declare that interest and, having regard to the circumstances described in Section 9 and Appendix B of the Councillors' Code of Conduct, leave the meeting while the matter is discussed.

CONSTITUTIONAL ITEMS

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| 2. | Minutes of the meeting held on 17th November 2022 | 1 - 6 | - |
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ITEMS FOR COMMENT & CONSIDERATION

- | | | | |
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| 3. | Asset Disposal Programme Update | To
Follow | All |
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Press and Public

Attendance and accessibility: You are welcome to attend this meeting which is open to the press and public, as an observer. You will however be asked to leave before any items in the Part II agenda are considered. For those hard of hearing an Induction Loop System is available in the Council Chamber.

Webcasting and recording: The public part of the meeting will be filmed by the Council for live and/or subsequent broadcast on the Council's website. The footage will remain on our website for 12 months. A copy of the recording will also be retained in accordance with the Council's data retention policy. By entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings.

In addition, the law allows members of the public to take photographs, film, audio-record or tweet the proceedings at public meetings. Anyone proposing to do so is requested to advise the Democratic Services Officer before the start of the meeting. Filming or recording must be overt and persons filming should not move around the meeting room whilst filming nor should they obstruct proceedings or the public from viewing the meeting. The use of flash photography, additional lighting or any non hand held devices, including tripods, will not be allowed unless this has been discussed with the Democratic Services Officer.

Emergency procedures: The fire alarm is a continuous siren. If the alarm sounds Immediately vacate the premises by the nearest available exit at either the front or rear of the Chamber and proceed to the assembly point: The pavement of the service road outside of Westminster House, 31 Windsor Road.

Cabinet Committee - Asset Disposals – Meeting held on Thursday, 17th November, 2022.

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

Apologies for Absence:- Councillor Mann

PART 1

8. Declarations of Interest

No interests were declared.

9. Minutes of the meeting held on 13th October 2022

Resolved – That the minutes of the meeting held on 13th October 2022 be approved as a correct record.

10. Avison Young Appointment to support the Asset Disposals Programme

The Committee considered a report that recommended that Avison Young be appointed to support the Asset Disposal Programme for the period between 2022 to 2027. If agreed, the recommendation would be made to Cabinet.

The importance of the asset disposal programme to the Council's financial recovery was recognised and it was therefore crucial that the Council had access to expert property and asset disposal advice. Following a procurement exercise in 2021 Avison Young had been appointed for the Phase 1 stage of the programme. The report highlighted that Avison Young had performed successfully in providing services in Phase 1 and had demonstrated a good level of performance with the early sale of the initial tranche of assets.

Members discussed how performance could be further improved to help the Council accelerate delivery of the asset disposal programme and maximise capital receipts. The Executive Director for Housing & Property agreed the importance of good contract management by the Council and set out the areas where more could be achieved from Avison Young. It was noted that a retendering exercise would take time which would impact on the delivery of the disposal programme.

The Committee sought assurance the proper procurement procedures had been followed and this was confirmed by Officers.

After due consideration, it was agreed to recommend to Cabinet that Avison Young be appointed for the period 2022 to 2027. The confidential appendix was noted in Part I of the meeting without disclosing any of the exempt information.

Recommended to Cabinet –

That the appointment of Avison Young to support the implementation of the Asset Disposal Strategy for the period 2022 to 2027 be approved, and to delegate authority to the Executive Director of Housing and Property , in consultation with the S151 officer, and subject to legal advice, to enter into contract with Avison Young for property asset disposal related support services, at an estimated cost of £3.020m, which will be met from the capital receipts generated from asset disposals.

11. Disposal of Council Asset - Lavender Farm

The Committee considered a report that sought agreement to recommend to Cabinet the disposal of Lavender Farm. The details of the proposed disposal were set out in the appendices which were considered in Part I of the agenda without disclosing any of the exempt information.

Officers summarised the disposal process that had been undertaken and it was noted that a best and final offer had been received from the incumbent tenant. The recommendation from Avison Young was that the offer reflected best value. The history of the site was discussed, including the use and potential for future development and any overage provisions. The bid not include any overage provision and seeking such a clause would likely reduce the sum achieved. Furthermore, as there was limited prospect of the site being developed within any period such a provision would be enforceable, it was considered the best option to dispose on the terms proposed. The Committee did highlight that overage should be an active consideration at an early stage of negotiations for future disposals to ensure the Council's financial interests were protected.

The Lead Member highlighted a discrepancy in the valuation reports about whether any of the land was within the Slough boundary. It was asked that the specific wording be clarified prior to the Cabinet meeting.

It was noted that the Chair of the Overview & Scrutiny Committee had agreed that call-in provisions be waived to enable the transaction to be implemented immediately, if Cabinet approved the decision on 21st November 2022.

The Committee agreed to recommend to Cabinet that the disposal of Lavender Farm be approved on the terms proposed in the report and appendices.

Recommended to Cabinet –

That the disposal of Lavender Farm be agreed and to 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 other legal documentation in connection with the disposal

subject to the terms being consistent with the Heads of Terms appended at Confidential Appendix 3 and the information provided within this report.

12. 380 Bath Road - Halfords Lease Renewal

The Committee received a report that recommended approval of the renewal of the lease between Halfords Limited and the Council for the property at 380 Bath Road, Slough.

The Council had purchased the property in July 2016 under the Strategic Acquisitions Programme. The lease was within the security of tenure provisions of the Landlord and Tenant Act 1954, therefore the tenant was entitled to a lease renewal based on the terms of the previous lease. The terms were set out in Appendix 1 in Part II of the agenda. The Committee considered the appendix in the public part of the meeting without disclosing any of the exempt information.

Members discussed the procedures for lease renewals under the 1954 Act and the process that would have to be undertaken if parties could not agree terms of a renewed lease. Agreement of terms had been reached with the tenant which would avoid such a process being required.

The Committee asked whether a robust procedure was in place to track and review other lease agreements. The Executive Director of Housing & Property stated that a more systematic approach would need to be put in place and this would be a key task for the new Associate Director of Property.

Lease renewals were matters within the functions of the Committee, therefore the decision could be made without the requirement for a recommendation on to Cabinet.

The recommendation to renew the lease was approved.

Resolved – That the renewal of the lease between Halfords Limited and the Council at 380 Bath Road, Slough be approved and to delegate authority to the Executive Director of Housing and Property, in consultation with the S151 and subject to legal advice negotiate and enter into a lease with Halfords Limited consistent with the terms detailed in Appendix 1 – Lease Report.

13. Adjustments to Out-of-Borough disposals in Wolverhampton and Gosport

The Committee considered a report in the supplementary agenda regarding the disposal of the Wickes site in Wolverhampton. Cabinet had previously approved the sale on 19th September 2022 as part of the first tranche of the disposals programme for out of borough assets.

The report did not include any decisions in relation to the out of borough asset of Waitrose in Gosport, as had been envisaged when the agenda title was published in the original agenda.

In seeking to conclude the transaction since the Cabinet decision in September, a lower disposal sum had been reached due to the worsening market conditions. The details were set out in the appendix in Part II of the agenda which was considered in Part I without disclosing any of the exempt information. The Committee was advised that the recommendation was to accept the lower sum and the sale still represented best value. The Executive Director of Property & Housing confirmed that a thorough due diligence process had been undertaken and good value was still being achieved for the site.

The decision to approve the revised sum was within the functions of the Committee and it was not required to be recommended on to Cabinet. The Chair of the Overview & Scrutiny had agreed that call-in could be waived to enable the decision to be implemented immediately so the transaction could be completed.

At the conclusion of the discussion, the Committee confirmed that the disposal be approved in accordance with the agreement set out in Appendix 1 to the report.

Resolved – That the disposal of the Wickes, Wolverhampton asset be agreed in accordance with the changes to the negotiated arrangement as set out in the Confidential Appendix 1 and to 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 enter into the contract and other legal documentation in connection with the disposals subject to the Heads of Terms previously approved by Cabinet being amended in accordance with Confidential Appendix 1 in the report.

14. Asset Disposal Programme Update

It was noted that from the December 2022 meeting onwards, the Committee would receive an update report on the progress of the disposal programme as a standing agenda item.

The Committee was informed that good progress was being made in finalising the disposals already agreed by the Cabinet and that a pipeline of future disposals would come to future meetings.

Resolved – That the Committee receive an update report on the disposals programme as a standing agenda item from December 2022 onwards.

15. 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.

16. Part II Minutes - 13th October 2022

Resolved – That the minutes of the Part II meeting held on 13th October 2022 be approved as a correct record.

17. Avison Young Appointment to support the Asset Disposals Programme - Appendix

Resolved – That the Part II appendix be noted.

18. Disposal of Council Asset - Lavender Farm - Appendices

Resolved – That the Part II appendices be noted.

19. 380 Bath Road - Halfords Lease Renewal - Appendices

Resolved – That the Part II appendices be noted.

20. Adjustments to Out-of-Borough disposals in Wolverhampton and Gosport - Appendices

Resolved – That the Part II appendices be noted.

21. Asset Disposal Programme Update Appendix

Resolved – That the verbal update provided in Part I of the meeting be noted and that regular update reports be provided from December 2022 onwards.

Chair

(Note: The Meeting opened at 4.33 pm and closed at 5.18 pm)

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