

**STROUD DISTRICT COUNCIL**  
**STRATEGY AND RESOURCES COMMITTEE**

**AGENDA  
ITEM NO**

**13 JUNE 2019**

**5**

<b>Report Title</b>	<b>CORPORATE ASSET MANAGEMENT STRATEGY - PROPERTY REVIEWS AND COMMUNITY ASSET TRANSFERS</b>
<b>Purpose of Report</b>	To seek approval to the proposed approach for community asset transfers and programme of property reviews due to start in 2019/20.
<b>Decision(s)</b>	<b>Strategy &amp; Resources Committee RESOLVES that:</b> <b>(a) the proposed property reviews due to start in 2019/20 and</b> <b>(b) the approach for Community Asset Transfers are approved and the update on property reviews is noted.</b>
<b>Financial Implications and Risk Assessment</b>	There are no financial implications from this report.  Financial analysis is a component of asset reviews and therefore is a factor in whatever decision is reached by each review.  Andrew Cummings – Interim Director of Resources Tel: 01453 754115 Email: <a href="mailto:andrew.cummings@stroud.gov.uk">andrew.cummings@stroud.gov.uk</a>
<b>Legal Implications</b>	This report sets out proposals for reviewing the council’s property portfolio and as such no material legal implications arise. Individual disposals are required to comply with various statutory requirements depending upon the nature and terms of the disposal.  Alan Carr - Solicitor Tel: 01453 754357 Email: <a href="mailto:alan.carr@stroud.gov.uk">alan.carr@stroud.gov.uk</a>
<b>Report Author</b>	Jill Fallows - Property Manager Tel: 01453 754433 Email: <a href="mailto:jill.fallows@stroud.gov.uk">jill.fallows@stroud.gov.uk</a>
<b>Options</b>	The committee can propose amendments to the review dates and procedure.
<b>Performance Management Follow Up</b>	Carry out property reviews as set out in the programme.

<b>Background Papers/ Appendices</b>	Appendix A <a href="#">Corporate Asset Management Strategy 2016 - 2021</a> Appendix B - Completed transfers/reviews Appendix C - Property Reviews 2019/20
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## 1. Background

- 1.1 A report was presented to the Strategy & Resources Committee in October 2014 informing committee of the proposed procedure for and rolling programme of property reviews. At that meeting it was agreed that the council's land and property should be reviewed every 4 years on a rolling programme to ensure every asset was reviewed at least once during each election term. Good practice is to review properties at least once every 5 years.
- 1.2 In July 2016, the Councils Corporate Asset Management Strategy 2016-2021 was approved by Strategy & Resources Committee. This is a key corporate document which details how the council manages its property assets (both general fund and housing revenue account held) to achieve its corporate objectives and can be found at Appendix A of this report.
- 1.3 This strategy states that the council's strategic property aim is 'to ensure that the council's property assets are managed in the most economic effective and efficient manner to achieve value for money and contribute towards achieving the council's corporate objectives and service delivery'.
- 1.4 The strategy also states that 'it is essential that the council routinely challenges and reviews the use, provision and performance of its property'. The programme of reviews is ongoing and also identifies assets that the council no longer needs and may wish to dispose of, generating capital receipts for re-use in support of the council's remaining properties and/ or reducing costs.
- 1.5 It is worth noting that information on the council's property portfolio has to be published as part of the mandatory requirements of the Local Government Transparency Code and can be found on the council's website at <https://www.stroud.gov.uk/council-and-democracy/opendata/registers/council-property-register>. Assets of community value are also published on our website, including those owned by SDC.
- 1.6 In view of recent motions e.g. reducing carbon emissions and with the Corporate Delivery Plan due to be fully reviewed next year, it is recommended that the Corporate Asset Management Strategy is also reviewed and updated to ensure that property assets continue to be held and maintained to deliver the council's key objectives.

## **2. Current Position**

- 2.1 Since 2014, a number of reviews have taken place with some property assets being retained and some transfers completed, these are shown at Appendix B to this report. A number of these transfers have allowed control of the assets at a more local level and reduced this councils costs, both in direct funding and officer time. Others have generated a capital receipt.
- 2.3 The community asset transfers that have taken place have, in some cases, taken considerably longer than anticipated. Negotiations for some Stroud assets (Stroud Cemetery, Bank Gardens and Sims Clock) and the transfer of the Subscription Rooms have been particularly complex and time consuming and this has had a significant knock-on effect on the programme of reviews.
- 2.4 The programme has been reviewed and updated and the next group of reviews with a start date in 2019/20 are detailed in Appendix C.

## **3. Review Process**

- 3.1 The review process was also approved in 2014. An initial review will be carried out in respect of each property, the main considerations for an operational property review (i.e. a property held to support service delivery) are: fitness for purpose, condition, running costs and any alternative use value. Non-operational properties will be based on financial performance, alternative use and development potential or any strategic reasons (eg ransom strip, hope value) with a recommendation to either retain or dispose. Reviews include identifying potential assets of community interest of a non-commercial nature for transfer to appropriate bodies, which is usually the relevant local town or parish council.
- 3.2 The first stage of any review is very much an information gathering process to enable all the options to be considered. If required, a more detailed review will be carried out in respect of the options and a recommendation made to the appropriate committee.
- 3.3 **2019/20 Programme**  
Reviews due to start in 2019/20 have been identified according to the following criteria: the cost of running the asset/service, dates of lease expiries, contract expiries, and emerging risks and opportunities that need to be explored quickly.
- 3.4 The high priority reviews identified for 2019-20 include the Old Town Hall, Woodchester Mansion and Public Conveniences.
- 3.5 **The Old Town Hall:** A Grade II\* listed building in Stroud Town Centre, comprising of small office units, a meeting room and stores. Due to the nature of the space and the heating system the building is not energy efficient. All the offices, except one, have been vacant for some time and the meeting room is underused, resulting in a loss of income to the council. The building is in urgent need of modernisation if it is to be relet. There may be an opportunity for alternative uses or a transfer to Stroud Town Council which has expressed an interest in the building in the past. Officers will look at the

financial performance, alternative uses and costs of improvement/refurbishment and consult with the town council, ward councillors and others, as appropriate, before making a recommendation to committee to either retain and improve or dispose.

- 3.6 **Woodchester Mansion:** A Grade I listed building currently let to the Woodchester Mansion Trust. The National Trust owns the adjoining land and there are opportunities to explore the long term future of both the Mansion and the wider estate with it and the Mansion Trust. The Trust is core funded by the council and is currently in a financially stable position, however, there is a risk to the council, should the Trust be unable to maintain the building as it could revert back to the council as the freehold owner with significant financial implications. The review will investigate and inform us of the current condition of the building.
- 3.7 **Public Conveniences:** This is a high quality service which is expensive to deliver so it is important to review. In addition the council has been approached by one town council who is interested in taking on its public conveniences and a lease to another is shortly due for renewal. The first stage in 2019-20 will be an information gathering exercise to determine usage figures, running costs, building condition, suitability, service objectives etc. Also to have initial discussions with parish and town councils and ward councillors to assess the local importance of each block before identifying options.
- 3.9 **Stratford Park:** The current operator has requested an extension to their contract so this is a service led review however, there are a number of assets in and around the leisure centre and park and this will be an information gathering exercise to establish how they all interlink and will give an overview of the whole park. This review links to the Key Actions for 2019-20 in the updated Corporate Delivery Plan (CDP 17 &18)
- 3.10 **Kingshill House:** A Grade II\* listed building let to the Kingshill House Trust. The Trust is keen to take the freehold interest of the property and hopes to be in the position to do so in 2021. Terms for a Community Asset Transfer are being negotiated and if agreed will be reported back to a future meeting of this committee for approval.
- 3.11 Officers will continue to deal with the reviews already in progress. Properties that are unlikely to be progressed in 2019-20 with the resources available have also been identified and will be reprogrammed if necessary.
- 3.12 Some reviews will be relatively “light touch”, whilst others will identify options and be reported to Investment and Development Panel for further discussion, if appropriate, prior to being reported back to committee for a decision.

#### **4.0 Community Asset Transfers**

In order to simplify future Community Asset Transfers it is proposed that the following approach is used, subject to compliance with all relevant legislative requirements:

- Consideration - where a community asset is identified and there are demonstrable significant economic, social or environmental benefits for a community use which outweigh the current or potential use, the asset may be offered at nil or below market value.
- Covenants - covenants and overage clauses safeguarding the continued use and enjoyment by the general public would be imposed on the basis that these assets are best kept and managed at a local level for the benefit of the local community and are transferring at less than best consideration.
- Financial contribution - will be considered on a case by case basis depending upon the nature of the asset/value of the asset and the ongoing liability.
- Fees/costs - each party will meet their own costs for a transaction, the council will undertake and pay for a condition survey where appropriate.
- The council would prefer to consider the transfer of assets as part of a package where identified, rather than on a piecemeal basis.
- Timescales - heads of terms will be offered to the town or parish council or community group for a time limited period. 6 months is considered to be a realistic timescale in most cases.

It is hoped that setting out the council's approach up front, will help speed up negotiations and the transfer process in general and provide some clarity for interested parties. Ward and district councillors will be involved as appropriate in discussions about Community Asset Transfers.

## **5.0 Recommendation**

- 5.1 That committee approves the approach for Community Asset Transfers and the proposed reviews due to start in 2019/20.