

Report to: Council

Agenda
Item

12(ii)(b)

Meeting Date:

Public/Private*: Public

Title: **Resources Overview and Scrutiny Panel - Chairman's Report – Councillor Reg
Watson**

Asset Review Business Plan.

The Panel was informed that Officers had undertaken a mid-term review of the Disposal Programme, stocktaking the current position in the light of progress, changing circumstances, and the emerging priorities in the Carlisle Plan 2013-2016 to address future housing needs.

A significant part of the Business Plan delivery, and the re-engineering of the Council's portfolio, hinged on the release and disposal of the latent value in the Council's retail and residential assets at Morton. There was a risk that delays in the disposal of that asset would have a substantial impact on the Disposal Programme, the capital reinvestment plans and revenue position of the Council. That had been recognised and identified on the Council's Corporate Risk Register and was being carefully monitored. The Property Services Manager indicated that The Carlisle Plan 2013-16 identified the delivery of housing as a priority action for the Council going forward. A number of sites earmarked for disposal in the original Disposal Programme (10 in total) had the potential, subject to market demand and planning to deliver residential development opportunities in the short to medium and longer term. That could be through the private sector, Registered Social Landlords, a mix of both or bespoke initiatives such as self build schemes. Members' attention was drawn to the Disposal Monitoring Schedule (Appendix 1) which set out the current position and work in progress for each of the original 51 assets earmarked for disposal. Also shown (for those assets where sales had been completed) were the target receipts and actual outcomes; the impact on rental income and leases; and the cost to date of realising sales. The Property Services Manager also summarised the overall position to date in terms of disposals, acquisitions and the impact on rental income. The cost to date of realising sales including marketing, agency fees and ancillary disbursements, amounted to circa £133k which at 2% of gross receipts was within budget targets.

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risk that delays in the disposal of that asset would have a substantial impact on the Disposal Programme, the capital reinvestment plans and revenue position of the Council. That had been recognised and identified on the Council's Corporate Risk Register and was being carefully monitored. Turning to the issue of Housing priorities, the Property Services Manager indicated that The Carlisle Plan 2013-16 identified the delivery of housing as a priority action for the Council going forward. A number of sites earmarked for disposal in the original Disposal Programme (10 in total) had the potential, subject to market demand and planning to deliver residential development opportunities in the short to medium and longer term. That could be through the private sector, Registered Social Landlords, a mix of both or bespoke initiatives such as self build schemes.

Additionally a recent trawl of the operational portfolio had been undertaken to identify any vacant land, or assets which may become surplus to requirements in the future, and merit consideration for inclusion in the Disposal Programme as a 2nd Phase of asset sales, which potentially may be suitable for release as housing development land.

The suitability of the 19 assets in the original Disposal Programme and "Phase 2" to deliver future housing needs had been assessed through a desk top appraisal by Planning, Housing and Property Officers.

A great deal of the Panel's time was spent in questioning the Portfolio Holder and Officers about the Disposal Programme. A Member commented that, although he understood the financial situation and the current economic climate, he did not understand why properties which received a return of 10% had been sold and the capital received was then receiving a lower return in the bank. He reminded the Panel that Montagu Evans had recommended that the Council should not sell properties if they could not get a higher return than they were receiving. A Member congratulated the Property Services Manager and his team for the excellent work that had been undertaken and asked for further details on some of the potential housing development sites set out in appendix 5 of the report. She was aware that there had been problems with the sites when previous applications for development had been considered.

Review of Reserves and Balance

The Panel was informed that a fundamental review of all of the Council's reserves was last undertaken in 2003. It was therefore timely that, given current budgetary constraints, a further review be carried out to establish whether all current reserves held were still required. He further outlined the legislative and governance requirements relative thereto.

Cllr R Watson OBE,
Chairman.