

Public Document Pack

Late Information – Agenda Item 11 for Scrutiny Board (City Development) 9th September 2008 – Recommendation Tracking Draft Status

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AGENDA ITEM 11

Review of Consultation Processes Inquiry report Published April 2008 First Update

Asset Management City Development

Recommendation	Where we are up to	Stage	Complete
<p>1. That Education Leeds be asked to communicate with relevant service departments and identify much earlier in the process schools which may be declared surplus to requirements in order to improve long term strategic planning.</p> <p>That Education Leeds, the City Development department and service departments (mainly Environment and Neighbourhoods) consider how this could be achieved in the new municipal year whilst recognising the sensitivity of the issues involved.</p>	<p>Monthly meetings are held between officers of Education Leeds, Asset Management and Corporate Property Management to consider surplus land and property issues in order that a strategic approach can be taken to alternative uses and disposal.</p> <p>Information from the above meetings is fed into fortnightly meetings held between officers of Environment and Neighbourhoods, Asset Management and Corporate Property Management, which considers alternative uses and proposals for surplus land and property.</p>	<p>1</p>	<p>100%</p>
<p>2. To the extent that</p> <p>(i) surplus sites have already been approved for disposal by the Executive Board, the proposals in the Executive Board report of August 2007 should apply.</p> <p>(ii) aspirations for community use of those surplus sites / buildings arise after the Executive Board decision, then officers of the relevant service departments should communicate clearly with the community and explain the criteria which will apply if a case is to be made for community use.</p>	<p>A draft Community Asset Engagement Strategy, including a criteria based approach, is well advanced and will be submitted for consideration by Executive Board when further guidance has been issued by the Department for Communities and Local Government (CLG).</p> <p>On 3 July CLG awarded the Leeds Asset Management Service a continued Beacon status in Peer Support for sharing experience gained in developing the Community Asset Engagement Strategy with other authorities. This includes developing more robust social value measurement and risk management tools for evaluation of community asset transfer proposals and dissemination to other authorities over a two year period.</p>	<p>4</p>	<p>75%</p>

	Recommendation	Where we are up to	Stage	Complete
3.	<p>That in view of the sensitive issues surrounding school buildings due to become surplus, the Chief Executive Education Leeds and the Directors of City Development and Environment and Neighbourhoods, develop a basic set of principles, that is supported by all Council Departments & Elected Members, and which are transparent & provide a consistent approach in determining the future of these Council assets.</p>	<p>The draft Community Asset Engagement Strategy provides a corporate approach to be based on consultation with and workshops for key officers in all relevant services and Elected Members.</p>	4	75%
4.	<p>That the Directors of City Development and Environment and Neighbourhoods introduce a fixed time frame for bringing forward alternative uses for former school buildings and that it be incorporated into the basic set of principles.</p>	<p>The draft Community Asset Engagement Strategy will incorporate the transparent process outlined in the Draft Asset Disposal Policy Statement set out in appendix 1 of this report.</p>	4	75%
5.	<p>That the Director of Environment and Neighbourhoods with other relevant service departments assess the level of consultation that can be applied in determining gaps in service provision in a community and how community groups might assist the Council in delivering the Council's objectives in that community.</p>	<p>Service Asset Management Plans are being developed as part of the review of the Council's corporate Asset Management Plan (AMP), which will include the identification gaps in service provision in a community. Support for community asset transfer proposals will therefore be made proactively in relation to Council priorities, rather than reacting to speculative requests aimed at finding community uses for surplus buildings. The draft Community Asset Engagement Strategy will incorporate the provision of a programme of workshops for officers, Elected Members and key third sector organisations focussing on how community groups might assist the Council in delivering the Council's objectives in that community and how proposals will be evaluated.</p>	4	75%
6.	<p>That the Head of Scrutiny and Member Development ensure that an appropriate annual seminar is held for Elected Members on the disposal of Council assets including former school buildings.</p>	<p>A seminar on disposal of Council assets for Cllrs was held in April & specific briefings on the principles of Community Asset Transfers will be offered to all Members in 2009.</p>	1	100%

Draft Asset Disposal Policy Statement

1 Surplus Council Assets

- 1.1 Land and property assets have been acquired over the years by the Council or predecessor authorities, under statutory powers and is held for specific purposes. Council Services do not own the assets but use them for delivery of the wide variety services provided for the benefit of the citizens of Leeds.
- 1.2 Under the Council's corporate landlord approach to management of its assets, the Corporate Property Management Service (CPMS) is responsible for the operational maintenance and facilities management of all property and land (other than Council houses, schools, parkland and highways, which are directly managed by individual services). The Strategic Asset Management Service (SAMS) has responsibility for all acquisition and disposal of assets and developing the Council's medium to long term asset management plan and strategic asset management projects. Close liaison between SAMS, CPMS and other Services takes place to achieve these aims.
- 1.3 Direct Service requirements for assets can change over time and when a property is replaced, such as a school, or is no longer required, such as an office building, the occupying Service will give notice that it will become surplus to its own requirements and will vacate the property at a future date. CPMS and SAMS will jointly consider the suitability of the asset for any potential alternative operational requirements by Council Services and make a recommendation through the relevant decision making process whether it should be retained. If the asset is not to be retained, it will be declared surplus to Council requirements by CPMS.
- 1.4 SAMS will then make arrangements for disposal, taking into account the following:
 - 1.4.1 any known requirement by third sector / community organisations, which been identified through the community asset engagement strategy, housing strategy or other charitable/not for profit agencies. If the disposal is proposed at less than market value, a justification report with option appraisal and risk assessment would need to be prepared by the sponsoring Service for consideration through the relevant decision making process.
 - 1.4.2 any known requirement by adjoining owners, partner public agencies, business or employment interests, which a Council Service may wish to support by way of private sale, but at market value;

1.4.3 disposal competitively on the open market at market value.

1.5 The disposal decision making process referred to above will include consultation with:

1.5.1 Council services where they have an interest in supporting a particular partner agency, third sector or business request;

1.5.2 Ward Councillors for the area in which the asset lies;

1.5.3 Valuation, Planning, Technical, Legal and Finance officers for professional advice, upon which option appraisals and risk assessments are to be based.

1.6 The decision to be taken on the recommendation of SAMS will first be considered by a Property Panel of officers, prior to a formal decision by the Chief Asset Management Officer.

2 Disposal policy goals

The policy goals of the disposal policy include:

2.1 To optimise the use of surplus Council assets in terms of financial return by their disposal for the highest price reasonably obtainable in market conditions;

2.2 To reduce the required property maintenance responsibilities of the Council;

2.3 To deliver other social, economic, community or other objectives for the benefit of citizens of Leeds, as published in the Council's Leeds Strategic plan.

2.4 The disposal¹ policy for Council owned surplus assets² is to be made available to the public to clarify how assets become surplus, on what basis interest in acquiring can be made, together with information on probity and transparency of decision making. (see footnote re plain english, statutory powers, decision making probity and transparency – Property, Legal, Finance and Audit comments to be invited)

3 Open market value disposals

- 3.1 Where the Council is simply seeking the highest price for its surplus assets, in the interests of probity, they will normally be publicly advertised on the open market for a minimum recommended period to invite purchasers to submit either sealed offers or attend a public auction.
- 3.2 In the case of sealed offers, the purchaser will normally be selected on the basis of the highest financial offer for which planning permission, if required, is reasonably expected to be obtainable.
- 3.3 The Council shall not necessarily be required to accept the highest offer and in the case of an auction, the price must exceed a minimum reserve figure held by the auctioneer.
- 3.4 Other appropriate terms and conditions of disposal will also be included in addition to price.
- 3.5 The purchaser will pay a pre-advertised percentage of the value as a contribution to the Council's costs of disposal.

4 Private treaty disposal at market value

Decisions by the Council to dispose of surplus land or property by private treaty, may be permitted subject to demonstration of:

- 4.1 overriding financial benefits to the Council;
- 4.2 or other social, economic, community or other objectives for the benefit of citizens of Leeds, as published in the Council's Leeds Strategic plan;
- 4.3 a decision to dispose by private treaty on either basis must be at open market value, with contribution to costs of disposal as above, unless a subsidy can be justified under the Less Than Market Value process below;
- 4.4 if the proposal is based on service benefits to be delivered by a nominated organisation, it must supported by the Chief Officer of the relevant sponsoring Council Service within the remit of its Service Plan;
- 4.5 the organisation must have the skills and capacity to deliver the proposed benefits within a defined period and sustain then thereafter. The decision must be based upon an option appraisal evaluating costs, benefits and risks of disposal by private treaty, delivery of the benefits and their subsequent sustainability.

5 Private treaty disposal at less than market value

- 5.1 Disposals to another publicly accountable organisation at less than market value will be considered where it will enable delivery of sustainable high priority social, economic, community or other objectives for the benefit of citizens of Leeds, as published in the Council's Leeds Strategic plan.
- 5.2 If the decision is based on service benefits to be delivered by a nominated organisation, the proposal must be supported by the Chief Officer of the relevant sponsoring Council Service within the remit of its Service Plan;
- 5.3 The organisation must have the organisational and other skills and capacity to deliver the proposed benefits within a defined period and sustain them thereafter. The decision must be based upon a rigorous option appraisal of a robust business case, evaluating costs, benefits and risks of disposal at less than market value, delivery of the benefits and their subsequent sustainability. The amount of rental or capital subsidy in the disposal would be based on a gap funding approach. Monitoring of the scheme outcomes will also be part of the requirement.

6 Transfer of community assets

- 6.1 Transfer of community assets to publicly accountable neighbourhood anchor organisations will be considered by the Council where it will enable delivery of sustainable high priority service benefits within a defined period.
- 6.2 If the decision is based on service benefits to be delivered by a nominated organisation, the proposal must be supported by the Chief Officer of the relevant sponsoring Council Service within the remit of its Service Plan;
- 6.3 The organisation must have the organisational and other skills and capacity to deliver the proposed benefits within a defined period and sustain them thereafter. The decision must be based upon a rigorous option appraisal of a robust business case from the organisation and an evaluation by the Council of costs, benefits and risks to it of a transfer, delivery of the benefits and their subsequent sustainability.
- 6.4 Subject to a satisfactorily robust business case and capital, revenue, service and risk evaluation, the recommended means of transfer would be in the form of a lease. The length of the lease would be geared to the organisation's management capacity, fundraising and borrowing requirements and the amount of rental or capital subsidy in the transfer would be based on a gap funding approach. Monitoring of the scheme outcomes will also be part of the requirement.

7 Community Lettings

- 7.1 Transfer of community assets to publicly accountable community organisations can be supported by the Council by a subsidised rental on a lease of less than seven years where the organisation and its objectives are supported by the Chief Officer of the relevant sponsoring Council Service within the remit of its Service Plan;
- 7.2 This arrangement is suitable for many community organisations which do not yet have the desire or capacity to take on responsibility for all repairs to a property or do not need to raise large amounts of finance for a specific project.
- 7.3 An open market rental is assessed for the property and if the sponsoring Service is satisfied that the organisation is sustainable and is contributing to service objectives, it can be supported financially by annual grant contributions towards the cost of the rental.
- 7.4 If the organisation needs and is able to raise funding for a necessary capital project, for which the funding body requires a longer term lease for security, this can be considered at the appropriate time.

8 Disposal Policy footnote – plain English explanatory notes for the public:

- 8.1 asset² means land or property,
- 8.2 disposal¹ can mean either freehold sale, transfer, lease for a specific period of years appropriate to the situation, or tenancy capable of being terminated by either party for specific reasons,
- 8.3 the Council has statutory powers within prescribed limits to dispose of assets at less than market value; and in special circumstances the relevant government minister has powers to authorise the Council outside such prescribed limits,
- 8.4 auditable and transparent systems are in place to demonstrate to the public and any other form of scrutiny, that no officer or elected member of the Council can unfairly influence the selection of purchaser or price payable.

Education Leads

	Recommendation	Where we are up to	Stage	Complete
1.	<p>That Education Leads be asked to communicate with relevant service departments and identify much earlier in the process schools which may be declared surplus to requirements in order to improve long term strategic planning.</p> <p>That Education Leads, the City Development department and service departments (mainly Environment and Neighbourhoods) consider how this could be achieved in the new municipal year whilst recognising the sensitivity of the issues involved.</p>	<p>Education Leads has reinforced the structure of it's communications systems to the Council. Regular monthly meetings take place with the Development Department and these meetings provide advance information in terms of any planned reviews or school closures. Thus any issues are flagged up early and it allows the Council full opportunity to discuss future uses of surplus buildings to Education.</p>	1	100%

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	Recommendation	Where we are up to	Stage	Complete
7.	<p>That the Director of City Development</p> <p>(i) in developing future Area Action Plans (and the preparation of Development Plan Documents as a whole), continue to engage a wide range of stakeholders in the process and monitor the effectiveness of such activity, as a basis for continued improvement.</p> <p>(ii) within the context of the Local Development Framework (LDF) Statement of Community Involvement and available resources, ensure that consultation activity is appropriately targeted and tailored, to ensure that the quality and quantity of engagement is fit for purpose.</p>	<p>West Leeds Gateway Area Action Plan is at the preferred options stage in the consultation process. This commenced on the 26th February 2008 and closed on the 8th April 2008.</p>	1	100%
		<p>Natural Resources and Waste DPD is at the issues and alternative options stage. Consultation commenced 8 May 08 and closed on the 19th June 2008.</p>	1	100%

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