



Report of the Acting Chief Officer Corporate Property Management
Scrutiny Board Central and Corporate Functions
Date: 10 January 2011
Subject: Void Property Process

Electoral Wards Affected: All

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

1.0 Introduction

1.1 The purpose of this report is to outline the current void management process for properties declared surplus to Service's operational requirements. Void properties are managed by Corporate Property Management (CPM) prior to re-allocation or disposal by Property Services, City Development.

2.0 Background

2.1 On 1 January 2008 the property staff from the former departments of Learning and Leisure, City Services, Development and Social Services were brought together to form Corporate Property Management (CPM). The management of void properties was previously undertaken in Development and the responsibility for undertaking this role transferred to CPM.

2.2 Over the last two years the many different processes, documentation and reporting lines for highlighting available space, transferring surplus property/ land and the disposal of surplus property/ land have been reviewed and new operational processes put in place

3.0 Information

3.1 As part of the delivery mechanism for the corporate Asset Management Plan, Services are required to produce individual Service Asset Management Plans which highlight the property requirements from which to deliver their services. This will include identifying potential properties which are surplus to their requirements for any number of reasons eg suitability, condition, declining use, cost etc.

- 3.2 As the Service moves towards declaring property surplus they are presented at either the Property Review Group (PRG) or Office Accommodation Review Groups (OARG) for consideration as to their future.

Both meetings are held monthly between officers from City Development (Asset Management) and Resources (Corporate Property Management including Directorate Property Managers as the Directorate representatives). All surplus space, properties and land are examined for potential re-use within Leeds City Council and if no alternative use is identified and no expressions of interest have been received from any community groups, then the property is listed with Property Services, City Development for disposal. The Disposals Team are responsible for all elements of disposal eg valuation for inclusion in Capital Receipt Programme, consultation with Ward Members, marketing, preparing for auction etc. It is at this point that advice is taken from Property Services whether demolition should be considered if a property is in poor physical condition and that a better receipt would be obtained if it was sold as a cleared site.

- 3.3 The formal surplus process requires Services to formally declare a building “surplus to operational requirements” with a report and Delegated Decision signed off the by Service Chief Officer.

The report should clearly state why the Service no longer requires the property and if any consultation has been carried out with local residents or Ward Members regarding the closure. Every report should be accompanied with a boundary plan clearly identifying the space the Service wish to handover. Services are responsible for running costs of the building until it has been cleared of all contents and then on formal handover all costs are then met by CPM.

- 3.4 The CPM void management programme ensures that each property is inspected on a regular basis for security and insurance purposes. Action is taken on any security or repair work identified upon inspection as soon as possible, with reference to the decision made by the Property Review Group to future use eg Leeds City Council re-use, disposal on the open market. While carrying out works essential to the security and immediate essential repair work, it is the aim not to spend too much on these buildings as it would reduce spend on operational property. All miscellaneous land is managed as void property as it is not always suitable for disposal. The list of void properties changes as properties are added, demolished, reallocated or sold.
Appendix 6.1

- 3.5 The CPM void management programme was designed from reviewing the different systems previously used by the former property teams and consolidating the best areas into one process which gave an auditable trail from handover to CPM to eventual re-use or disposal – see Appendix 6.2.

- 3.6 The recent property market has proved challenging and sale at auction currently appears to be the most effective way of selling reasonably sized properties (lodges etc) or parcels of land.

In order to improve the chances of a successful disposal Property Services consider a number of options including development potential and in some cases the preparation of Planning Statements or Planning Briefs for larger sites such as schools and industrial sites. The preparation of these documents can take considerable time as they are subject to consultation with a number of groups, therefore some property can take some time before actual disposal takes place.

3.7 The cost for managing void properties was; 2008/9 - £418.6k, 2009/10 - £254.5k and to date £186.8k. This is spent predominately on NNDR, security and maintenance. CPM and City Development have worked together to instigate a process which reduces wherever possible, the time a property is managed as void. This can be shown in the reduced cost last year.

4.0 Recommendations

4.1 Management of void buildings will continue to be reviewed and adjusted in order to provide the Council with the most efficient, value for money service for the disposal of surplus property and land.

5.0 Background reports

None

6.0 Appendices

6.1 Void properties/ land

6.2 Void management operating procedure – November 2009