



Customer & Corporate Services Scrutiny Management Committee

23 May 2022

Report of the Ethical Asset Disposal Task Group

Ethical Asset Disposal

Background

1. At the end of a Corporate & Customer Services Scrutiny Management Committee (CSMC) call-in meeting on 21 December 2020¹ on the subject of the Update on the Asset Management Strategy 2017-2022, it was resolved that “a request be made for an appropriate Scrutiny committee to undertake scoping work, with a view to developing a strategy for the council on the ethical disposal of its assets.”
2. An informal working group of three members from amongst the CSMC and Economy & Place Scrutiny Committee membership was established – Cllr Stephen Fenton, Cllr Ed Pearson and Cllr George Norman. The working group has undertaken some scoping work by meeting with relevant officers to discuss what currently exists in relation to City of York Council (CYC) asset disposal policies. The working group has also gathered information on what other local authorities do.
3. The working group was not asked to come up with any recommendations, but to report back to CSMC with the information gathered, for CSMC to then decide on next steps.

Information gathering

4. The working group met with Nick Collins, CYC Head of Asset Management, on 13 October 2021. We heard that the council’s constitution requires members’ approval for the disposal of land and building assets, that every asset is different and that there are

¹ <https://democracy.york.gov.uk/ieListDocuments.aspx?CId=602&MId=12513>

Appendix 1

robust procedures in place to identify potential alternative uses for assets that are deemed to be surplus to requirements. Members explored what wider community engagement is undertaken when assets may be deemed surplus to requirement and were told that this would be done through the CYC Strategic Services Manager. The Officer also referred to the York Map tool through which councillors are able to see all CYC assets in their ward.

5. The 1972 Local Government Act requires local authorities to dispose of their land and buildings for the best consideration reasonably obtainable. However, the General Disposals Consents 2003, removes the requirement for local authorities to seek approval from the Secretary of State, for any disposal of land, where the difference in value between the unrestricted value of the interest to be disposed of, and the consideration accepted (the undervalue), is less than £2,000,000. The local authority should ensure that it follows normal and prudent commercial practices, including the view of a professionally qualified valuer, as to the likely amount of the undervalue.
6. Members asked the Head of Asset Management to share further information with them, and this was received in December 2021.
 - a) CYC Method Statement for the Disposal of Land or Property (Annex 1)

This document describes the process followed to ensure that the sale of assets adheres to council policies. It is not explicit in the document, but it is presumed that before this process is embarked upon a decision will have been made a) to sell the asset and b) if so, whether at full market value or a reduced value reflecting non-financial benefits to be realised from the sale. The steps to be followed include exploring whether there are other council service areas that could make use of the property and whether it might be of interest to partners.

- b) CYC Ethical Property Letting and Management Procedure (Annex 2)

Of interest, but not directly relevant as this procedure relates to the letting and management of property rather than its disposal.

Appendix 1

c) Map of CYC owned and leased land (excluding housing)
(Annex 3)

d) Map of city centre CYC owned and leased land (excluding
housing) (Annex 4)

These maps are high-level and demonstrate the extent of CYC
owned and leased land

e) York Map User Guide (Annex 5)

This document provides an introduction to the York Map facility,
which members can access via a link on the CYC intranet home
page. The map can be used by members to identify all CYC
property in their ward by checking the 'Property terrier' box
under the Layer List – see below.

Appendix 1

YorkMap Council services and assets together on one map About YorkMap Open Data YorkView

Address Search

Layer List

Operational Layers

- Assets & street care
- Streets
- Adopted highways
- Property terrier
 - CYC Lease Back In
 - CYC Sub Lease
 - Owned by CYC, but leased on long term leases
 - Sold by CYC
 - Owned by CYC
 - Leased by CYC on long term basis
 - VAVC Schools (Not Owned)
 - CYC Interest
 - Right of Way
 - CYC has Some Repair Responsibility
 - CYC has Full Repair Responsibility
- Public toilets

0 1.5 3km
468,928.8108 447,545.4201 Meters
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Appendix 1

7. The working group met with the Debbie Mitchell, CYC Chief Finance Officer (CFO), on 21 October 2021. She explained that her role was to provide advice to officers, particularly around the risks associated with any proposed course of action.
8. The CFO set out the council's legal obligation to get 'best value' when disposing of land and buildings and that this can be considered in a number of ways, including consideration of social value, and she mentioned that the council's social value policy was subject to review. The policy was subsequently adopted at the Finance & Performance Executive Member Decision Session in November 2021. (Annex 6)
9. Whenever land or buildings are identified as surplus and are to be disposed of, there is a need for transparency of process, for example when buildings are to be sold for alternative uses. It was noted that the capital receipt from the sale of assets can help to fund other council priorities, for example the purchase of other premises.
10. The CFO shared a copy of the CYC Asset Disposal Policy, though this is not directly relevant as it does not cover the disposal of major capital assets such as buildings and land. (Annex 7)

Contact Details

Author:

Cllr S Fenton

Chief Officer Responsible for the report:

Not applicable - Member Review

Report Approved

n/a

Date 11 May 2022

Specialist Implications Officer(s)

None

Wards Affected:

All



For further information please contact the Democratic Services.

Annexes

- Annex 1 Asset and Property Management
- Annex 2 Ethical Property Letting and Management
- Annex 3 CYC Owned and Leased Land
- Annex 4 City Centre Owned and Leased Land
- Annex 5 YorkMap User Guide
- Annex 6 Social Value Policy
- Annex 7 Asset Disposal Policy, Updated