

ASSET MANAGEMENT PLAN UPDATE

Finance and Resource Advisory Committee - 3 December 2014

Report of Chief Finance Officer

Status: For recommendation to Cabinet

Also considered by: Cabinet 11 December 2014

Key Decision: Yes

Executive Summary: This paper is presented to Members to advise them of the outcome of the bids received in respect of the proposed sale of Timberden Farm, Shoreham. It also contains recommendations as to the proposed disposal method of three other sites previously approved for disposal.

This report supports the Key Aim Asset Management Plan

Portfolio Holder Cllr. Ramsey

Contact Officer(s) Adrian Rowbotham x7153
 Lesley Bowles x7335

Recommendation to Finance & Resource Advisory Committee

That the recommendation to Cabinet be endorsed.

Recommendation to Cabinet

That Cabinet approve:

- (a) the recommendation as set out in Appendix C following receipt of the bids in respect of Timberden Farm.
 - (b) the disposal of the three other sites by way of auction on the terms set out in Appendix C.
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Reason for recommendation: Land/Properties identified as surplus to requirements and/or underperforming financially.

Introduction and Background

Timberden Farm, Shoreham

1. The farm comprises approximately 2.13 acres (86.2 hectares) and was acquired in 1990, it has been let to a local farmer on a Farm Business Tenancy since then.
2. Earlier this year the disposal of Timberden Farm was recommended by Finance & Resources Advisory Committee (FRAC) to Cabinet due to a fall in income and gross return, and approved.
3. In order to ensure the best consideration is obtained, three agents, each with considerable experience in disposing of agricultural holdings, were interviewed and invited to submit their fees for acting on behalf of the Council in respect of the sale.
4. Carter Jonas were appointed and their advice was to market the farm on the open market either as disposal as a whole, or as 4 lots, as shown in Appendix A.
5. A copy of their particulars are included in Appendix B.
6. Their recommendation was that bids should be invited for the whole in excess of the sum of £2.1 M
7. Marketing began at the beginning of October, and in order to ensure compliance with the Council's disposal policy, all neighbouring properties were notified of the proposed disposal as part of the proactive marketing campaign which included adverts in local and national papers, For Sale Boards etc.
8. Bids for either the farm as a whole, or for one of the lots, were invited to be submitted to the Democratic services Department of the Council by Noon, 18 November 2014. These were opened by Democratic Services in the presence of Councillor Ramsay, the Solicitor to the Council and Head of Communities & Business.
9. Following receipt of the bids, details of which are set out in Appendix C, a recommendation is set out for consideration.

Disposal of three sites by way of auction

10. The disposal of these three sites was previously recommended by FRAC to Cabinet and approved earlier this year.
11. Advice has now been sought from an auctioneer with considerable experience in disposing of small lots, the advice received and recommended reserves for each site is set out in Appendix C and approval is sought to these recommendations.

Key Implications

Financial

Net proceeds after costs (agents fee and disbursements for the Timberden Farm disposal, and entry fees and commission for the auction disposals) will be added to the Capital Receipts Reserve.

Legal Implications and Risk Assessment Statement

Further resource from the Legal Section will be required to support the disposal process through to completion.

There is still a small risk that officer time may still be expended and any sale not complete. However, due diligence will be undertaken as far as possible to assess the purchaser's ability to complete the sale at the agreed sale price in an effort to minimise that risk.

The disposal by way of auction means that, if the agreed reserve is exceeded, then the Council will be legally committed to the disposal so there is minimal risk.

Equality Impacts

Consideration of impacts under the Public Sector Equality Duty:		
Question	Answer	Explanation / Evidence
a. Does the decision being made or recommended through this paper have potential to disadvantage or discriminate against different groups in the community?	No	The disposal processes are open to all members of the public
b. Does the decision being made or recommended through this paper have the potential to promote equality of opportunity?	No	
c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above?		

Value for Money and Asset Maintenance

The Councils land Disposal Policy will be followed, to ensure best value for money is achieved for the proposed disposals.

Asset maintenance liabilities will be reduced upon completion of disposals.

Conclusions

The receipt of the bids be noted and the disposal of Timberden Farm be progressed in accordance with the recommendation in Appendix C.

The disposal by way of auction of the three sites identified be progressed as soon as possible with a view to completing before the end of the financial year.

Appendices

Appendix A – Timberden Farm Lot Plan

Appendix B – Timberden Farm particulars

Appendix C - Timberden Farm Bid Summary and disposal recommendations for three sites (**Exempt Information**)

Background Papers:

None

Adrian Rowbotham
Chief Finance Officer