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Minute Extract from Cabinet – 19 September 2023

Disposal of Land – Tranche 2, Minute 30

The Portfolio Holder presented the report, which sought the disposal of two assets deemed to be surplus to the Council's requirements. The report was also considered by the Finance & Investment Advisory Committee (FIAC) on 5 September and following their discussions, he requested further information from Officers. He advised that it was important to note that in accordance with good asset management practice, the Council regularly reviewed its asset register to determine if its estate was still generally speaking fit-for purpose and met the Council's operational requirements. Officers had undertaken an asset review resulting in these sites being identified as surplus. The review involved amongst other activities, consideration of the site for alternative operational uses or needs, and even the potential for the Council to undertake housing development. Alternative uses for Council purposes were therefore considered.

Reviews were undertaken collaboratively and involved officers from across the Council. The sites were then discussed with the Portfolio Holder prior to entering the formal approval process. In accordance with council policy, the relevant Ward Councillors and the Parish Clerks had been notified and commented in advance of the report going to FIAC. As neither site was necessary on an operational level since they were originally held under the Housing Act in conjunction with adjacent land, they needed to be declared surplus to requirements for accounting purposes before any alternative usage could be considered.

As a Local Authority, the Council was obliged to obtain best consideration in accordance with s123 of the Local Government Act 1972 and if applicable, the Housing Act 1985, otherwise it would need to apply for permission from the Secretary of State. The purpose was to ensure, as far as reasonably possible, that public assets were not sold by public authorities at an under value, save, if at all, with the consent, general or specific, of the Secretary of State. It imposed a duty to achieve a particular outcome, rather than follow any particular process.

The Portfolio Holder further advised that the assets had been valued by an independent valuer in order to demonstrate transparency, assist with setting the reserve price and adhere to statutory and policy requirements. From a capital asset management perspective a disposal entailed not only a capital receipt but also a cost saving in terms of ongoing maintenance. The Asset Management Strategy supported the disposal of assets in order to improve the financial position of the Council.

The Strategic Head of Commercial and Property advised that the two sites identified were surplus to the Council's requirements as they were originally held under the Housing Act in conjunction with adjacent land, prior to the transfer of the Council's housing stock to West Kent Housing Association in 1989. The two sites (Clarks Lane, Halstead and The Forstall, Leigh) were identified following an internal asset review process. Alternative uses for the sites were explored and it was decided that the sites were not required for operational purposes and as such were considered surplus to

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the Council's requirements. The procedure to be followed, in line with policy, required that once the asset review identified a site or sites considered as surplus and had been evaluated internally, a report should be prepared, discussed with the portfolio holder, before Ward councillors and the parish clerks are notified prior to the report going to FIAC. The Parish Clerks were emailed on 4 August 2023 and so there was sufficient time for comments or representations to be made. Comments received were generally supportive of disposal, albeit requests were made for the sites to be disposed of for affordable housing. He highlighted that the Forstall site was within an archaeological notification area and an area of special control for advertisements, but was not within the green belt, not used as open space and was not designated as an Asset of Community Value.

The strategic reason for disposal was that it would produce much needed capital receipts and improve the current budget position. He further advised that from an asset management perspective the disposal would enable realignment of the Council's property estate, remove corporate landlord liabilities, and provide cost savings for the Direct Services team and the Property team.

The Chairman used her discretion and allowed questions from Members who were also present. In response to questions Members were advised that the receipts from the disposals could bring in additional income to fund other capital projects. It would also reduce the revenue costs, such as the cost of maintenance and grass cutting. The Chairman allowed further input from Members of the Council who expressed their concern at the land being sold and the impact on the community and whether sufficient consultation with the Parish Councils had been taken.

The Cabinet Members discussed the report and in their debate, noted the discussions that had taken place at FIAC. Officer's comments and feedback from the Portfolio Holder were also noted, in particular that the Parish Councils had been emailed and responses had been received, in which no objections had been lodged. The Chairman noted that thorough discussion had taken place at the FIAC meeting, that contributions from Members had been considered throughout the debate, as well as the advice and information given by officers.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That the

- a) properties listed in recommendation (b) below, be declared as surplus to the Council's requirements;
- b) disposal of land at
 - i) Forstall, Leigh, by auction be approved;
 - ii) Clarks Lane, Halstead by auction or private treaty, be approved

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c) Strategic Head of Commercial and Property following consultation with the Head of Legal and Democratic Services and Portfolio Holder for Finance & Investment, be delegated authority to undertake and to enter into the necessary agreements for such land transactions.