

**WEST DUNBARTONSHIRE
COUNCIL**

PROPERTY & LAND ASSET DISPOSAL
STRATEGY 2013 - 2018

Introduction

West Dunbartonshire Council holds each of its assets as a resource to be used in the delivery of services and to support and contribute to its corporate objectives.

This is the fundamental premise that underpins all the Council's actions in managing its assets.

The purpose of this document is to set out the terms for a Property and Land Asset Disposal Strategy that will, in turn, support the Council's approved Corporate Asset Management Strategy and Property Management Plan.

From the acquisition of new assets, their operation throughout their lifetime, right the way through to their eventual disposal, the overall way in which the Council deploys and accounts for its assets can be tested against the contribution they make to the overall Council's strategic vision.

All assets of the Council must contribute to the Council's strategic aims and ambitions. In particular property and land assets should contribute to the economic well-being of the area by increasing the supply of suitable houses in the area, assist in reducing unemployment by making West Dunbartonshire an attractive place for business and inward investment, thereby becoming the location of choice for businesses.

It is recognised that assets can make particular contributions in terms of:-

- Optimising asset portfolios to meet changing service needs;
- Stimulating the economic and physical regeneration of West Dunbartonshire through the release of key development sites onto the market;
- Reaping financial benefits from savings in running costs and enhancing capital receipts;
- Implementing corporate plans and strategies in areas such as carbon reduction and sustainability;
- Acting as a catalyst for partnership working with other public service providers;
- Supporting the development and role of the Third Sector to acquire assets and to provide key services within communities, even if it means that assets are sold at less than market value.

Improved service delivery through effective asset management will be achieved when key assets are in the right location, are suitable, fit for purpose and in good condition. In particular, retained property and land assets will all need to be accessible and energy efficient.

The current financial climate has created particular problems for many public bodies.

For example property and land assets cannot be so readily acquired, sold and, in some cases altered. In addition, rising energy costs will impact significantly on property budgets.

The challenge for the Council will be to consider the changes taking place within the external environment such as new workplace practices, emerging legislation, the increasing influence of information and communications technology together with the growing importance of sustainability issues and to thereafter respond to these changes by implementing more innovative, aggressive and robust asset management policies. This approach will identify those property and land assets which are deemed surplus to services requirements which should be effectively disposed of.

Aim of Disposal Strategy

West Dunbartonshire Council has a statutory responsibility under the Local Government (Scotland) Act 1973, not to dispose of land “best that can be reasonably obtained”.

Historically in order to comply with this obligation asset disposal was, in the majority of instances, to seek to obtain market value for all surplus assets. However in a time of changing market and economic conditions there are circumstances where greater value can be realised by looking at the overall economic benefit to the community rather than the simple financial consideration for the property or land asset. This approach aligns with the Council’s Strategic ambitions.

The ultimate aim is to release as many property and land assets that have been declared surplus in a prioritised basis that supports the Strategic Aims. The individual Property and Land assets that have been identified as surplus are included in Appendix 1. They have been prioritised into the following categories:

- Strategic Sites - Sites that could bring significant Economic Impact
- Rationalisation Programme - Land and buildings that are to be disposed of as part of any Council Rationalisation programme; and
- Commercial and Private - Those with commercial and/or private benefit to interested parties

Sites that have been identified as being capable of providing significant Economic Impact are as follows:

1. Dumbarton - St. James Retail Park
2. Balloch - Carrochan Road
3. Clydebank - former ATC Mountblow Road
4. Clydebank - former St. Andrews High School
5. Bonhill - former Bonhill Primary School
6. Jamestown - Levenbank Road/Milton Loan
7. Clydebank - former Braidfield High School
8. Alexandria - Heather Avenue
9. Clydebank - former St. Eunan’s Primary School
10. Dumbarton - land surrounding Crosslet House, Argyll Avenue

Working in conjunction with the Regeneration team within Housing, Environmental and Economic Development, the Asset Management Team will:

- Enhance value wherever practicable and appropriate, and strive to maximise economic regeneration opportunities especially with strategic sites.
- This will be achieved through the preparation of comprehensive development briefs and undertake site investigation works, investigate servicing arrangements, consideration of taking to outline planning stage, prior to taking the asset to the market.
- Advertising on the open market to encourage competition from likely purchasers.
- Setting a closing date for offers.
- Support the transfer of certain assets at less than market value to the Third Sector, where appropriate, in return for wider community benefits.
- Generally recommending acceptance of the highest offer submitted in accordance with the above.
- Reporting all potential disposals to the Housing, Environment and Economic Development Committee seeking approval to proceed.

The role of disposal within the Asset Management Team will therefore change to be more proactive working with Regeneration colleagues to invest in strategic sites to make them more marketable and more likely to drive on economic performance in the area. Any property and land to be disposed of through the rationalisation programme will be suitably prepared if appropriate and placed on the market for sale. Any commercial and private site will be sold in a similar fashion by the Asset Management team however the use of an external agent should be considered. The team will ensure arrangements are in place to:-

- Eliminate as far as possible the number of properties that are poorly used, not fit for purpose and in poor condition.
- Pursue disposal options that will maximise the return to the Council where possible and appropriate.
- Seek out more innovative methods to dispose of property. For example to examine the possibility of delayed payments for land purchases by housing developers, setting up joint venture Special Purpose Vehicles (SPV's), where appropriate, with private sector developers to unlock the latent value of the Councils assets.
- Fast-track disposal options whenever possible, where unique or significant beneficial opportunities may exist, or can be created.

- Deliver revenue savings to the Council through the prompt and successful disposal of property.
- Ensure the cost of managing the disposal process and surplus property portfolio remains competitive through benchmarking, market testing and regular review.
- Contribute to the economic development and regeneration aspirations of the Council and its Community Planning Partners.

External Influences on Strategy

This Disposal Strategy is a dynamic statement of how West Dunbartonshire Council expects to better manage the disposal of its property assets.

The Asset Management Team will continually track and monitor the asset management landscape nationally. As such, it is intended that the Strategy will be reviewed annually and updated, where appropriate, to reflect emerging best practice, altered priorities, changing market conditions and any new statutory obligations including relevant legislation.

The Team are committed to ensure that the Disposal Strategy and this Councils' approach to the disposal of all assets remains "fit for purpose".

Currently there are a number of areas of asset management practice that will be assessed by the Team in terms of their potential implications for the disposal of assets by local authorities. These are:-

- **The Scottish Futures Trust.**

SFT is leading a series of "Placed Based" and "Diagnostic" reviews across Scotland. These reviews are based on strategic asset management planning and collaborative working across the public sector.

WDC is participating with the SFT in a Place Review with local partners and this is anticipated to run from January to April 2013.

These programmes of work across Scotland will continue to be tracked by the Team for signs of emerging best practice and tangible benefits.

- **Community Empowerment and Renewals Bill.**

The Scottish Government has completed its first round of consultation on this proposed Bill.

The Minister for Local Government and Planning convenes a Reference Group, co-chaired by COSLA, whose membership has been drawn from across the wider public, private, third and community sectors. This Reference Group will oversee the final round of consultation during 2013 with the Bill likely to be passed in 2014.

There are likely to be significant implications for local authorities in terms of asset management and the potential for Communities to challenge how Councils use operational assets and dispose of those that are surplus to requirements.

There may be implications too for Common Good property and allotments, and there remains the possibility that an urban community right to buy might be introduced.

It is expected that, however the Bill might look like in its final form, asset management planning between Community Planning Partners will require to become more robust especially in relation to disposal strategies. Local authorities will also require having in place a clear policy and process for dealing with Third Sector asset transfers.

The progress of the Community Empowerment and Renewals Bill will be monitored by the Asset Management Team where possible, and any potential implications for the Council assessed.

However the development of a Third Sector asset transfer policy and process will be produced by the Team during 2013.

- **Private Sector Developers**

In this current economic climate little can be gained from simply attempting to market, in isolation, potentially key sites in the hope that demand may exist.

One of the Councils' Economic Development objectives is;

“Creating a place where people choose to live, work and invest”

The Team will engage with private sector developers to ensure that they are fully aware of market conditions and discuss potential release of surplus assets and explore the best possible transfer or sale of the assets to contribute to the economic development and regeneration aspirations of the Council.

Specifically, the Council supports the view that by adopting a more holistic approach to economic development and asset management it is more likely that demand, and returning commercial confidence, will be achieved.

By developing the centrally recurring message that West Dunbartonshire is a key destination for a range of potential business sectors, the Council can draw upon the expertise that exists within its Economic Development, Planning, Roads Infrastructure and Property Services to ensure that key sites and properties are identified and readied for disposal, and redevelopment, in a coordinated and effective manner.

This can be achieved not only through the implementation of a measured and consistent approach to disposals but also one which will allow the Council to react quickly and positively to any opportunities that may arise.

Through collaboration of this nature, and by demonstrating that all innovative supporting works and funding options will be explored, the Council can promote the message that opportunities will be created and obstacles removed thereby making West Dunbartonshire the first choice location for potentially interested parties.

This will ensure that the Council can not only exercise a measured and consistent approach to its disposals programme, but it will also be in a position to react quickly to opportunities that may arise.

- **Carbon Management Plan**

The Carbon Management Plan was approved by the Council in 2009. This Plan commits the Council to a target of achieving a 33% reduction in CO2 emissions by 2015.

Since 2009 the Council has made good progress towards achieving its targets and to date has achieved a 14% reduction.

To continue with this work, and recognising that clearly the disposal of any asset will have an impact on the Councils' Carbon Reduction Commitment, it is proposed that the Strategic Asset Management Group will ensure that sufficient resources remain allocated, where possible, to undertake a Carbon profiling exercise across the surplus assets portfolio.

This will strengthen the links between capital investment in assets and the disposals process, in addition to providing a valuable performance indicator.

- **Regeneration and Funding**

Innovative asset management, and specifically a robust disposals strategy, can support the delivery of the Councils' approved Economic Development Strategy for 2011-16.

However the Strategic Asset Management Group recognises that this is a "two-way" street insofar as the Economic Development Strategy can also help drive asset management planning and underpin both a flexible and proactive disposals process.

Tax Incremental Funding (TIF) is in simple terms it is a mechanism whereby development funding could potentially be obtained and set against a future income derived from commercial rates that would otherwise not have been generated.

This is an emerging model and, as such, the Asset Management Team will undertake to monitor its deployment across Scotland and report back to the appropriate Committee on its potential application in West Dunbartonshire as and when appropriate. In addition the Asset Management Team in collaboration with the Regeneration Team will explore alternative methods of funding development opportunities including Joint European Support for Sustainable Investment in City Areas (JESSICA) and European funds.

- **Governance and Delivery**

The delivery of the asset management agenda within West Dunbartonshire Council will be undertaken by the Corporate Asset Management Team, under the direction of the Corporate Asset Manager.

The Corporate Asset Management Team will, in turn, be supported by the Strategic Asset Management Group. This Group is chaired by the Executive Director of Housing, Environment and Economic Development and comprises senior representation from all directorates.

Its role is to ensure that the Corporate Asset Management Strategy, and all asset management activities that flow from it, will remain effective and progressive.

The Strategic Asset Management Group has the responsibility to consult with, and make recommendations to, Elected Members.

A decision to dispose of any significant property and land asset will be based on a recommendation from Council officers and be taken by the Housing, Environment and Economic Development Committee once declared surplus by the appropriate service committee.

Conclusion

The economic pressures facing the public sector at this present time will continue to present all local authorities with significant financial challenges for the foreseeable future.

An imperative to continue re-focussing and refreshing a Corporate Asset Management Strategy to meet these challenges is recognised, as is the key role that an effective Disposals Strategy has to play in this process.

West Dunbartonshire Councils' Asset Disposal Strategy 2013-18 will provide an improved platform from which Council officers and Elected Members can make informed and effective decisions in respect of Council property that will also support the Councils' Strategic Ambition and Direction.