

## **MICRO SCRUTINY - DISPOSAL OF MINOR PROPERTIES**

### **1. Purpose of the report**

The Chair of the Committee has received a request from a Member to undertake a micro scrutiny review of the process for disposing of minor properties. The Committee is asked to consider this request, in particular to consider if a micro scrutiny is appropriate in this case and if so set up a Scrutiny Panel.

#### **Key Issues**

- **The Authority has previously agreed its approach to Member Scrutiny.**
- **As part of this approach any Member can, following consultation with the relevant Chair, make a suggestion for an area of activity to be the subject of a micro scrutiny.**
- **A Member has suggested that the process recently used to progress the disposal of 7 minor properties should be the subject of a micro scrutiny review.**
- **The Committee is asked to consider whether a micro scrutiny is appropriate in this case and if it is agree the terms of reference and composition of the Panel.**

### **2. Recommendations(s)**

- 1. To consider the request for the disposal of minor properties to be the subject a Micro Scrutiny Review.**

#### **Background Information**

##### **a) Wider Asset Review**

3. In January 2018 the Audit, Resources and Performance Committee approved the process for producing an Asset Management Plan ('the Plan') for all the assets owned by the Authority and agreed that this would be completed for approval during the 2019/20 Financial year. It is anticipated that the Plan will be brought to the meeting of the Authority scheduled to take place on 14 February 2020.
4. The purpose of the Asset Management Plan is to review all the Authority's properties to establish whether they are still required to meet our statutory purposes and the current Corporate Strategy outcomes, strategic interventions and key performance indicators. On the back of this review the Authority will be asked to approve an action plan setting out proposals for disposals, acquisition, development opportunities, dealing with the repairs and maintenance backlog and improve our understanding of future maintenance costs.
5. A fundamental part of the development of the Asset Management Plan has been the collection of data relating to the whole property portfolio, in particular condition surveys have been undertaken for all our built properties over the last three years. This is the first time that this has been done by the Authority in a comprehensive way based on the same format of grading buildings in good, satisfactory, poor or bad condition and also in a priority need basis of urgent, essential, desirable and long term.
6. This work has built on the previous report by DTZ/Smiths Gore commissioned in November 2013. This "Strategic Property Review" was approved as the Authority's

Asset Management Plan.

7. One of the recommendations of the 2013 DTZ/Smiths Gore review was the disposal of certain properties or groups of properties to reduce the size of the whole property portfolio. This programme has been implemented over the last 5 years with the disposal of Losehill Hall Bungalow, Warren Lodge on the Eastern Moors Estate, 27 freehold and 10 leasehold woodlands and one minor property. The proceeds of these disposals has amounted to £1.6 million and has been added to the Authority's Capital Fund.

**b) Minor Property Disposals**

8. The Authority owns about 5% of the National Park, some of these sites are identified as 'minor properties' because they do not form part of the larger estates or woodlands. For some years the Authority's strategy has been to reduce the property portfolio by disposing of these properties where there is no clear need to retain them. This has allowed the Authority to reduce its liabilities and pass ownership and control to local communities and other interested parties while making the best possible use of the resources we have. This strategy began with woodlands disposal and at a meeting of the Audit, Resources and Performance Committee on 22 May 2015 members approved the first phase of woodlands disposal, with up-dates given to, and further approvals sought from, the Committee for the subsequent phases of freehold and leasehold disposal into 2018.
9. At a meeting of the Audit, Resources and Performance Committee held on 3 November 2017 Members approved a programme of minor property disposal which established that the decision making and disposal regarding those properties with low to medium risk, including approval of any possible undervalue arising from the disposal process be delegated to the Resources Management Meeting subject to consultation with the Head of Law, the Corporate Property Officer and the Chair and Vice Chair of the Audit, Resources and Performance Committee. It was also agreed that the future of properties identified as high risk would be considered as part of the Asset Management Plan Review.
10. Following completion of the woodlands disposal project, Officers then embarked on the programme of work approved by the Committee to consider the portfolio of the 15 minor properties that it had owned or leased for many years. A project team of Officers with expertise in property and other specialist areas was established to consider which of the "minor properties" may be suitable for disposal following the asset disposal guidelines in place. As a result 7 properties were put on the market in spring 2019 for sale.
11. In response to the tenders received the Authority decided to dispose of two properties; land at Losehill Hall and Winster Ore House. The Authority decided not to dispose of the remaining properties at that moment in time but reconsider them as part of the wider Asset Management Plan Review. This decision was made in the interest of the high ecological value of the sites involved and the local community value. Following a subsequent discussion with the successful bidder on one of the two properties identified for disposal the property has been retained and it too will be considered as part of the Asset Management Plan Review.
12. At the end of this process Officers carried out a learning review to consider ways of improving the process for future disposals and the Asset Disposal Procedure has been updated accordingly with new operating instructions on the project management working arrangements being prepared. The recommended actions and the revised proposal will be shared as part of the report on the Asset Management Plan to be considered by the Authority in February. All further disposals have been paused until the updated Plan has been approved

## Proposals

13. In accordance with the agreed scrutiny process the Chair of the Programmes and Resources Committee has been approached by a Member of the Authority requesting that this report be brought to a meeting of the Committee setting out background information on the recent minor property disposals process and asking Members whether this should be the subject of a Micro-Scrutiny Review.
14. If the Committee is minded to carry out a Scrutiny Review Members will need to agree • The terms of reference for the review which should set out:
  - What issue is to be considered?
  - What aspect of the issue is to be scrutinised?
  - What are the reasons for the Scrutiny?
  - What are the expected outcomes?
  - What are the timescales for carrying out the review
  - What resources are required?
15. The Committee should also formally appoint Members to the Scrutiny Panel and agree that attendance at meetings of the Panel is an approved duty for the purposes of travel and subsistence. It is suggested that no more than four Members should make up the Scrutiny Panel.

### **Are there any corporate implications members should be concerned about?**

#### **Financial:**

16. There are no significant financial implications regarding setting up a Scrutiny Panel. Panel although Members will be able to claim travel and subsistence for attending meetings and, depending on the scope of the review, additional resources may be required to support the scrutiny process.

#### **Risk Management:**

17.

None

#### **Sustainability:**

18.

None

#### **Equality:**

19.

None

### **20. Background papers (not previously published)**

None

### **21. Appendices**

Appendix 1 - Audit, Resources and Performance Report on Minor Properties 03/11/17

Appendix 2 - Appendix of ARP report on Minor Properties

### **Report Author, Job Title and Publication Date**

Sarah Fowler, Chief Executive, 09 January 2020  
sarah.fowler@peakdistrict.gov.uk