

Maidstone Borough Council

Corporate Services Overview and Scrutiny Committee

Tuesday 3 February 2009

Property and Procurement

Report of: Senior Overview and Scrutiny Officer

1. Background

- 1.1 At its meeting on 4 November 2008, Members interviewed the Head of Business Improvement with regard to the review of the Council's assets. The relevant extract from the minutes of the meeting is as follows:

"The Head of Business Improvement, Alasdair Robertson, informed Members that work was being undertaken to review all of the Council's assets and to ensure that these were delivering as many benefits as possible. A central part of the review was establishing how much capital was tied up in the assets but in the current economic climate, it was not possible to obtain accurate or meaningful assessments. The review may therefore be delayed until the economic situation was more stable.

A Councillor highlighted that when this had previously been discussed at Scrutiny, it had been noted that some parishes maintained land for the Council that was not on the asset register. It would therefore be useful to write to parish councils to ensure that the Council was aware of all of its assets. Another Councillor suggested that an asset list be included with this letter. Mr Robertson agreed that this would be carried out.

A Councillor asked whether there was an existing list of the Council's assets and the income and costs associated with these. Mr Robertson confirmed this and agreed that it could be sent to Members.

Members expressed concern that the Council did not have a full, accurate list of its assets. Mr Robertson stated that there was an asset list but there was occasionally ambiguity with some historical records over small parcels of land that had been obtained by the Council through Section 106 agreements. The Council was aware of all of its substantial assets. The Corporate Property Manager's assistant was working through deeds to establish if there were any small areas of land that the Council owned but did not have on the asset list.

In response to a question, Mr Robertson explained that the Park Wood Industrial Estate valuation took place every three years due to auditing requirements.

Several Members highlighted examples of the Council selling assets that, in their opinion, should not have been sold, and asked whether there was a framework in place to ensure that assets were not sold if they helped the Council to meet its priorities. Mr Robertson stated that there was a

framework in place for new capital projects and it was anticipated that this methodology would be applied to existing assets. This would enable comparison between existing and proposed assets to see how well they matched with corporate priorities, for example. It was highlighted that some assets were operational and some were for investment purposes, so these needed to be considered separately.

Members also discussed the need for an acquisition strategy, noting that opportunities for acquiring assets had been missed in the past. Assurance was needed that monitoring potential acquisitions was part of the work of the Property Team. A Councillor highlighted that the current economic climate made this a good time to purchase land. Mr Robertson informed Members that there was currently between £200,000 and £300,000 in the Opportunity Purchase Fund.

With regard to resources for the review, Mr Robertson explained that invest-to-save funds had been obtained to recruit a temporary member of staff as it was expected that the review would lead to increased income from assets. However, the current economic climate meant that this increased income would not be achieved and so the additional staff member had not been recruited. It was confirmed, however, that additional staff would speed up the process.

Members agreed that this was an important subject, and resolved to continue their enquiries by interviewing members of the Property and Procurement team at their meeting on 3 February 2009."

1.2 Following this interview, Members resolved that:

- a) Parish Councils be contacted to establish what land they maintained on behalf of the Council;
- b) A list of the Council's assets and an outline of whether each asset generated income or cost the Council money be sent to all Members;
- c) The development of an acquisition strategy be considered by the Cabinet Member for Corporate Services; and
- d) Members of the Property and Procurement team be invited to the meeting on 3 February 2009.

1.3 The Cabinet Member for Corporate Services responded to these recommendations on 28 November 2008; this response is attached at Appendix A.

1.4 The Head of Business Improvement has prepared a report on the Council's assets in response to Recommendation (b); this is attached at Appendix B.

1.5 In response to Recommendation (d), the Property and Procurement Manager, David Tibbit, and the Corporate Property Manager, Chris Finch, will be in attendance at the meeting.

MAIDSTONE BOROUGH COUNCIL
RECORD OF DECISION OF THE CABINET MEMBER FOR
CORPORATE SERVICES

Decision Made: 28 November 2008

RESPONSE TO RECOMMENDATIONS ARISING FROM CORPORATE SERVICES OVERVIEW AND SCRUTINY COMMITTEE 4 NOVEMBER 2008

Issue for Decision

To consider the recommendations made by the Corporate Services Overview and Scrutiny Committee.

Decision Made

That the response to the Scrutiny Committee Recommendation Action and Implementation Plan ("SCRAIP"), attached as Appendix A to the Report of Head of Business Improvement, be agreed.

Reasons for Decision

At the meeting of The Corporate Services Overview and Scrutiny Committee on 4 November 2008, a number of recommendations were made for me to consider. These were that:

- Parish Councils be contacted to establish what land they maintained on behalf of the Council
- A list of the Council's assets and an outline of whether each asset generated income or cost the Council money be sent to all Members
- The development of an acquisition strategy be considered by me.

Responses to these recommendations are contained within the SCRAIP attached as Appendix A to the Report of Head of Business Improvement, which outlines how each of the recommendations have been or will be progressed.

Alternative actions and why rejected

The recommendations from the Committee could be rejected but they are broadly in line with current work programmes which makes this unnecessary.

It would be possible to commit further resources to site acquisition purely as an investment strategy, either from the capital programme or from borrowing, but this is considered too risky in the current climate but will be kept under review.

Background Papers

None

Background documents can be viewed at the Council Offices

Signed
Councillor Richard Ash
Cabinet Member for Corporate Services

Date:

Should you be concerned about this decision and wish to call it in,
please submit a call in form signed by any two Non-Executive
Members to the Scrutiny Manager by: **5 December 2008**

SCRUTINY COMMITTEE RECOMMENDATION ACTION AND IMPLEMENTATION PLAN (SCRAIP)

Committee: Corporate Services Overview and Scrutiny Committee

Meeting Date: 4 November 2008

Minute N^o: 77

Topic: Review of the Council's Assets

Recommendationⁱ	Cabinet Memberⁱⁱ	Responseⁱⁱⁱ	Timetable^{iv}	Lead Officer^v
Parish Councils be contacted to establish what land they maintained on behalf of the Council	Corporate Services	This has been done and the letter also asked if parishes consider they own any land that could be beneficially combined with MBC land to achieve greater community benefit	Replies requested by end Dec 2008	Alasdair Robertson
A list of the Council's assets and an outline of whether each asset generated income or cost the Council money be sent to all Members	Corporate Services	This information is available with the existing asset valuation included (which is not the same as the market value) and can sent to the next meeting	This can be produced for the next meeting	Alasdair Robertson
The development of an acquisition strategy be considered by the Cabinet Member for Corporate Services	Corporate Services	The existing approach to acquisition is contained within the asset management plan. This plan is being revised and will take account of corporate objectives in relation to the LDF, growth point and aspirations in relation to the development of the town centre. Existing funds to support acquisition are limited. Any further funding would need to be identified in the context of other capital schemes which are already committed to high priority items. Alternatively funding could come from prudential borrowing if the business case supported it.	NA	Derek Williamson/ Alasdair Robertson

		<p>Officers maintain an active watch on potential investment sites and should a compelling proposition arise this will be considered in relation to the site's contribution to Council priorities, risks and potential returns. Given the speculative nature of such investment a case by case approach is taken.</p>		
--	--	---	--	--

Notes on the completion of SCRAIP

ⁱ Report recommendations are listed as found in the report.

ⁱⁱ Insert in this box the Cabinet Member whose portfolio the recommendation falls within.

ⁱⁱⁱ The Officer/Cabinet Member responsible for responding to the recommendation should indicate in this box either the acceptance or rejection of the recommendation.

If the recommendation is rejected an explanation for its rejection should be provided. The 'timetable' and 'lead officer' boxes can be left blank

If the recommendation is accepted an explanation of the action to be taken to implement the recommendation should be recorded in this box. Please also complete the 'timetable' and 'lead officer' boxes.

^{iv} The Officer/Cabinet Member responsible for responding to the recommendation should indicate in this box when the action in indicated in the previous box will be implemented.

^v The Officer/Cabinet Member responsible for responding to the recommendation should indicate in this box the Officer responsible for the implementation of the action highlighted in the 'response' box.