

# **BIRMINGHAM CITY COUNCIL**

## **PUBLIC REPORT**

**Report to:** **LEADER OF THE COUNCIL JOINTLY  
WITH THE CORPORATE DIRECTOR  
ECONOMY**

**Report of:** **ASSISTANT DIRECTOR OF PROPERTY (INTERIM)**

**Date of Decision:** **October 2018**

**SUBJECT:** **DISPOSAL OF SURPLUS PROPERTIES**

**Key Decision:** **No**

**If not in the Forward Plan:** **Relevant Forward Plan Ref: N/A**  
(please "X" box) **Chief Executive approved** ☐

**Relevant Cabinet Member(s) or** **O&S Chair approved** ☐  
**Relevant Executive Member:** **Councillor Ian Ward – Leader of the Council**

**Relevant O&S Chair:** **Councillor Tahir Ali – Economy and Skills Overview &  
Scrutiny Committee**

**Wards affected:** **Alum Rock, Bartley Green, Erdington, Nechells.**

### **1. Purpose of report:**

- 1.1 The continued review of the Council's land and property portfolio has identified the individual property interests listed in Appendix 1 of this report as being surplus to Council requirements.
- 1.2 It is proposed that these property interests form part of an agreed programme of land and property sales to be implemented during financial years 2018-19.

### **2. Decision(s) recommended:**

The Leader and Corporate Director Economy are recommended to:

- 2.1 Approve the sales programme detailed in Appendix 1 of this report, authorising the sale of the surplus property interests listed.
- 2.2 Note that in accordance with existing surplus property procedures no internal re-use of the properties listed in Appendix 1 has been identified.
- 2.3 Authorise the City Solicitor where necessary, to advertise the permanent loss of public open Space and consider any objections in accordance with Section 123(2a) of the Local Government Act 1972.
- 2.4 Authorise the City Solicitor to negotiate, execute and complete all necessary legal documents to give effect to the above recommendations.

**Lead Contact Officer:** **Rob King – Business Centre Manager  
Birmingham Property Services**

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### **3. Consultation**

#### **3.1 Internal**

3.1.1 The Leader of the Council has been consulted regarding the contents of this report, and is fully supportive of the report proceeding to an executive decision.

3.1.2 The report has been considered and cleared by the Property and Assets Board.

3.1.3. Officers from Legal Services, City Finance, and other relevant officers from the Economy, People and Place Directorates have been involved in the preparation of this report and support its proposals.

3.1.4 The relevant Ward Members for each property have been consulted, and no adverse comments have been received to the reports content. The detail of this consultation is set out in Appendix 3 of this report.

#### **3.2 External**

3.2.1 No external consultation has taken place regarding the content of this report.

### **4. Compliance Issues:**

#### **4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?**

4.1.1 The proposal contributes towards the strategic outcomes outlined in the 'Council Plan and Budget 2018+', specifically to help deliver a balanced budget and contribute to the Council's plan to rationalise its property portfolio as part of its asset management programme.

#### **4.2 Financial Implications (How will decisions be carried out within existing finances and Resources?)**

4.2.1 The disposal of surplus assets will generate capital receipts for the Council to help support the Council Plan and Budget 2018+, and contribute to key business priorities.

4.2.2 As some of the properties to be sold are within the HRA, then in those cases the appropriate adjustment will be made to the capital financing charge to the HRA.

4.2.2 The total asset value of the properties listed in Appendix 1 is no greater than £1.0m.

#### **4.3 Legal Implications**

4.3.1 The power to acquire, dispose and manage assets in land and property is contained in Section 120 and 123 of the Local Government Act 1972, and Section 32 of the Housing Act 1985 in respect of HRA controlled assets.

#### **4.4 Public Sector Equality Duty**

4.4.1 An initial Equality Assessment Ref No. EQUA71 dated 7<sup>th</sup> August 2018, is attached as Appendix 4. The assessment confirms there is no adverse impact on the protected groups identified in Public Sector Equality Duty statement included in this report under the Equality Act 2010, and that a full Equality Assessment is not required for the purpose

of this report.

## **5. Relevant background/chronology of key events:**

- 5.1 The on-going review of the Council's various land and property portfolios has identified those individual property interests listed in Appendix 1, as being surplus to Council requirements. It is proposed that these interests will form part of an agreed programme of property sales to be implemented during 2018-19.
- 5.2 The sites listed in Appendix 1 are deemed non-strategic assets that currently create management pressures (and costs) without contributing to the Council's priorities. Accordingly, their release for potential sale will not only reduce the Council's liabilities and generate capital receipts, but also provide opportunities for infill development, which given the nature of the assets listed will be primarily residential.
- 5.3 All the sites are surplus to Council requirements, and have been fully considered in accordance with current surplus property procedures with no alternative internal use identified.
- 5.4 In addition to this schedule of property it is anticipated that the ongoing review will identify further surplus property interests to supplement the programme going forward. All such opportunities will be the subject of further reports.
- 5.5 The sales methodology to deliver the programme will fully recognise market sentiment and individual circumstance. Accordingly, the interests will be sold via public auction. The proposed delivery strategy and mode of sale adopted is tailored to maximise both the prospect of a sale completion, receipt realisation and demonstrate best consideration.
- 5.6 The rationale for choosing auction sale ahead of alternative modes of sale available is primarily to ensure that there is certainty of delivering receipt realisation by specified dates ie 28 days post auction date, and ensuring interim management costs ahead of sale completion are kept to a minimum.

## **6. Evaluation of alternative option(s):**

- 6.1 The sites have accordingly been considered in accordance with current surplus property procedures with no alternative internal use identified.
- 6.2 As these sites are not considered to be of strategic importance there is no merit in retaining the sites, and their sale will remove an ongoing management liability to the Council.
- 6.3 Options have been considered for the disposal methodology for these assets and the chosen routes are considered to be the best in order to maximise both the prospect of a sale completion, receipt realisation and demonstrate best consideration.
- 6.4 The preferred option, as recommended, is to deliver a focussed disposal programme of land and property sales.

## **7. Reasons for Decision(s):**

- 7.1 To agree a programme of land and property sales to be implemented during financial years 2018-19.

**Signatures****Dates**

Cllr Ian Ward – Leader of the Council

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Waheed Nazir – Corporate Director Economy

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**List of Background Documents used to compile this Report:**

Relevant Officers file(s) save for confidential documents

**List of Appendices accompanying this Report (if any):**

1. Appendix 1 – Sales Programme
2. Appendix 2 – Site Plans
3. Appendix 3 – Ward Member Consultation Record
4. Appendix 4 - Equality Assessment

**Report Version****Dated**

## **PROTOCOL PUBLIC SECTOR EQUALITY DUTY**

- 1 The public sector equality duty drives the need for equality assessments (Initial and Full). An initial assessment should, be prepared from the outset based upon available knowledge and information.
- 2 If there is no adverse impact then that fact should be stated within the Report section 4.4 and the initial assessment document appended to the Report duly signed and dated. A summary of the statutory duty is annexed to this Protocol and should be referred to in section 4.4 of executive reports for decision and then attached in an appendix; the term 'adverse impact' refers to any decision-making by the Council which can be judged as likely to be contrary in whole or in part to the equality duty.
- 3 A full assessment should be prepared where necessary and consultation should then take place.
- 4 Consultation should address any possible adverse impact upon service users, providers and those within the scope of the report; questions need to assist to identify adverse impact which might be contrary to the equality duty and engage all such persons in a dialogue which might identify ways in which any adverse impact might be avoided or, if avoidance is not possible, reduced.
- 5 Responses to the consultation should be analysed in order to identify:
  - (a) whether there is adverse impact upon persons within the protected categories
  - (b) what is the nature of this adverse impact
  - (c) whether the adverse impact can be avoided and at what cost – and if not –
  - (d) what mitigating actions can be taken and at what cost
- 6 The impact assessment carried out at the outset will need to be amended to have due regard to the matters in (4) above.
- 7 Where there is adverse impact the final Report should contain:
  - a summary of the adverse impact and any possible mitigating actions (in section 4.4 or an appendix if necessary)
  - the full equality impact assessment (as an appendix)
  - the equality duty (as an appendix).

## Equality Act 2010

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:

- 1 The Council must, in the exercise of its functions, have due regard to the need to:
  - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act;
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 2 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
  - (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
  - (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
  - (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 3 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- 4 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
  - (a) tackle prejudice, and
  - (b) promote understanding.
- 5 The relevant protected characteristics are:
  - (a) marriage & civil partnership
  - (b) age
  - (c) disability
  - (d) gender reassignment
  - (e) pregnancy and maternity
  - (f) race
  - (g) religion or belief
  - (h) sex
  - (i) sexual orientation