

**OPEN**

**Appendix C NOT FOR PUBLICATION**

By virtue of paragraph 3 of Part 1 Schedule 12A of the Local Government Act 1972

**BRIEFING REPORT**

**Finance Sub Committee**

**2 June 2025**

**Acquisitions and Disposal Summary 2024-2025**

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**Report of: Peter Skates - Director of Growth & Enterprise**

**Report Reference No: FSC/30/25-26**

**Purpose of Report**

- 1 The Finance Sub Committee has oversight, scrutiny and budgetary review of the Council's Land and Property Function. This report presents information about acquisitions and disposals undertaken by the Council thereby allowing transparency in terms of the Council's land and property activity. This supports the Council's corporate aim of being an open and enabling organisation and making Cheshire East a thriving and sustainable place.

**Executive Summary**

- 2 In the constitution, the Sub-Committee has responsibilities relating to property transactions including the buying, selling and appropriate of land and property, including compulsory purchase where required. The Sub-Committee also has responsibility for approval of property transactions over £2m.
- 3 The report is designed to assist members of the Sub-Committee to understand the relationship between property transactions and the Medium- Term Financial Strategy (MTFS) of the Council.
- 4 The report updates members on acquisitions and disposals undertaken by the Council over the financial year 2024 – 2025.

5 The Finance Sub-Committee is recommended to:

- Note the acquisition and disposal activity undertaken by the Council in the financial year 2024 /2025, identified in the Appendices A and B and to note the confidential disposal programme of future proposed disposals in Appendix C
  - Appendix A – Summary of Acquisitions completed,
  - Appendix B – Summary of Disposals completed.
  - Appendix C – Disposals Programme: this appendix is subject to confidentiality and is an exempt item.

## **Background**

### **Acquisition of Land & Property**

6 Cheshire East has an extensive Capital programme and often acquisition of land and property will form a significant part of these proposals. A summary of acquisitions is set out in Appendix A. The largest category of works in this category are the Council's highway capital programme, where several highways have been constructed or are in the pipeline of delivery. Land is required to construct these roads and can be bought prior to a CPO been in place, or once a CPO is in place using compulsory powers of acquisition. In these cases, the Council will seek to purchase land by agreement, prior to exercising compulsory powers. In these instances, the acquisitions are completed on a statutory basis using established surveying practices.

### **Capital Receipts**

7 The Council disposes of assets on the open market, generating a capital receipt, currently as part of balancing the MTFS for 2025/26, a sum of £2.25m has been identified the MTFS which includes:

- £1.0m – Capital Financing Budget – available to support the general financing of the capital programme
- £1.0m - Revenue financed from capital under statute (Flexible Capital Receipts)
- £0.25m – Funding of specific capital programme schemes

8 In addition, as reported in the MTFS approved in February 2025, a prudent forecast for additional Capital Receipts of £33m over 4 years has been set as follows:

<b>MTFS (Para 62 Cover Report): Forecast – Prudent View</b>	<b>2025/26 £m</b>	<b>2026/27 £m</b>	<b>2027/28+ £m</b>
Forecast (Prudent view)	9.07	10.94	12.75
Already included in MTFS / Capital Programme	(2.25)	(2.75)	(5.0)
<b>Additional Receipts Forecast</b>	<b>6.82</b>	<b>8.19</b>	<b>7.75</b>

- 9 The prudent forecast above, allows for some slippage / timing differences against receipts reflected in Appendix C plus adjustments for receipts already included in the currently approved MTFS 2024/25 either within the Capital programme or as part of the Capital Financing Budget. The net additional receipts forecast above are not included as part of the balancing of the MTFS as they have yet to be realised.
- 10 The target has been set against land and property owned by the Council but is surplus to its requirements. The information set out in Appendix C reflects the forecast before adjustments excluding slippage/timing differences of receipts. It also includes some additional disposals not identified at the time the MTFS was prepared. Disposals are subject to s123 of the Local Government Act 1972.
- 11 The Council has an ongoing process of estate rationalisation and disposals in the current and future years. This is set out in Appendix C.
- 12 To deliver this programme of disposals the council is setting up a dedicated transformation delivery unit to increase rapid delivery on disposals. This will provide confidence in delivery, through:
  - Lead Surveyor with ability to call off a contract for external Agent resource and valuation.
  - Lead Lawyer/Solicitor with ability to call off a contract/framework for external resource and legal advice.
  - Lead Planner with the ability to call off a contract for external resource and planning briefs/advice.
  - Dedicated, direct resources will accelerate the progress on capital receipts and disposals.
  - Programme management environment – programme PID status reporting.
  - Governance: through existing capital monitoring and asset management governance.

- Tackling and unlocking opportunity.
  - Working across the transformation programme.
  - Working across the capital programme and through established governance.
  - Agents and consultants would work under dedicated SMEs / lead professionals.
  - Funding for posts would be from general fund and then re-paid from capital receipts.
- 13 The Sub-Committee is responsible for decision taking on assets valued over £2m, however at this time there are no assets that require this decision. Although no decisions are required this report provides information to aid members understanding of the relationship between these works and the MTFS.

### **Asset Strategy and the Transformation Plan.**

- 14 In the Councils Transformation Plan - PL3: Asset Strategy Refresh – is detailed as a rapid review of assets to identify priority opportunities to drive greater value out of specific properties within the Council's portfolio.
- 15 A rapid review of our assets and asset management strategy is being conducted in conjunction with a review of our corporate landlord model.
- 16 We want to ensure that the Council is still getting the full operational, financial, and social benefits from the land and property estate – the buildings and land we own – and that we reduce any liabilities that may come with owning them.
- 17 We are working to identify key priorities for the council in delivering our services and the opportunities there are to drive greater value out of specific properties within our portfolio. This could include selling some assets that are not being used so that we can maximise long-term saving opportunities and release any identified capital receipts. Ultimately, we want an estate that's fit-for-purpose.
- 18 Once refreshed, our asset management plan will work alongside the council's new corporate plan and growth strategy and provide a strategic framework that will guide the decisions we make around our assets.
- 19 Recommendations for progressing this review have been discussed at Transformation Board and meetings/workshops have been held to

collaborate with key services to review this activity along with the corporate landlord refresh.

- 20 A refreshed asset management plan will come forward for review and comment at the Economy and Growth Committee in September 2025.

## **Implications**

### *Monitoring Officer/Legal*

- 21 This report involves the disposal of land, and it is therefore necessary to ensure that the decision makers have the necessary authority to authorise the proposed transactions. Under the current Constitution dated December 2024 at Chapter 2-part 4 paragraph 2.2 the Finance Subcommittee have within their responsibilities the remit to consider property transactions which include the buying and selling of land. In addition, it is necessary for all decision makers to ensure that they are not only empowered under the Constitution to make a decision but that they are also authorised under the Financial Procedure Rules to incur the financial consequences of the decision that they make. As this matter involves the disposal of land it will be necessary to satisfy the Financial Procedure Rules contained in the Constitution at Chapter 3 part 4 paragraph 4.44, this states that the acquisition and disposal of land and property and other assets over £2 million is the responsibility of the Finance Subcommittee. Therefore, Finance Subcommittee are duly authorised under the Constitution to consider the content of this report.
- 22 In accordance with section 123 of the Local Government Act 1972 the Council is under an obligation to obtain the best consideration reasonably obtainable upon the disposal of its Property.
- 23 The duty to obtain best consideration does not require the highest offer to be accepted, but it needs to take into account other factors such as any terms or conditions attached to the disposal which may identify a special commercial benefit to the vendor for e.g. covenants requiring the land to be used for a particular purpose. Each transaction should be assessed on its facts.
- 24 The General Disposal Consent (England) 2003 allows the Council to dispose of land at an undervalue provided that the disposal contributes to the achievement of; -
- The promotion or improvement of economic wellbeing

- The promotion or improvement of social well being
- The promotion or improvement of environmental well-being and
- That the best price reasonably obtainable does not exceed £2m

- 25 The Localism Act 2011 introduced the General Power of Competence, which allows the Council to do anything an individual can do, provided it is not prohibited by other legislation. These powers have replaced the previous well-being powers; however, the use of these powers must be in support of a reasonable and accountable decision made in line with public law principles.
- 26 The Council always has a fiduciary duty to the taxpayers and must fulfil its duty in a way that is accountable to local people.

### **Section 151 Officer/Finance**

- 27 The 2025/26 to 2028/29 Medium Term Financial Strategy includes an ambitious capital programme, totalling £595m over the next 4 years, 71% of the programme is externally funded from grants and developer contributions, 22% is funded through prudential borrowing, with only 7% funded from capital receipts and direct revenue contributions.
- 28 Capital receipts from asset disposal represent a finite funding source and it is important that a planned and structured manner of disposals is created to support the priorities of the Council. Cash receipts from the disposal of surplus assets are to be used to fund new capital investment or offset future debt or transitional costs, included within the new flexibilities provision, as and when received.
- 29 The MTFS Report approved at Full Council on 26 February 2025 includes the following estimates of capital receipts:

<b>Table 16 Forecast – Prudent View</b>	<b>2025/26 £m</b>	<b>2026/27 £m</b>	<b>2027/28+ £m</b>
Forecast (Prudent view)	9.07	10.94	12.75
Already included in MTFS / Capital Programme	(2.25)	(2.75)	(5.0)
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- 30 The Council continues to maintain a policy of not ring-fencing the use of capital receipts to fund new investment in specific schemes or services unless a suitable business case is made available, but instead subject to any claw back provisions, to allocate resources in accordance with key aims and priorities. Capital receipts can arise from certain developments and in those cases will be included as direct funding to a particular scheme.

- 31 Capital receipts have been an important source of finance in previous financial years. A minimum amount of £1m additional capital receipts has been anticipated in 2025/26 to 2028/29. The Council's current strategy is to realise net receipts of £4m for the period 2025/26 to 2028/29 and that these receipts reduce the overall Capital Financing Budget.
- 32 The Council is looking to rationalise assets over this period with a view to bringing in additional capital receipts. These additional capital receipts will be utilised at the discretion of the Section 151 Officer to best support the Council's revenue position. Options that will be considered include supporting the transformation programme as flexible capital receipts, repayment of EFS to reduce annual borrowing and MRP costs, repayment of borrowing for the capital programme, particularly short-term high-cost items (e.g. ICT).
- 33 In March 2016 the government published statutory guidance on the flexible use of capital receipts which allows Local Authorities to use capital receipts to offset the revenue cost of transformational projects which are expected to deliver future ongoing revenue savings for either the Council or other public sector delivery partners.
- 34 The MTFS includes plans to utilise £1m pa of capital receipts to offset the cost of transformational projects each year over the period 2025/26 to 2028/29. The wider disposal programme and targets reflected in this report are forecast to generate larger capital receipts, decisions on use of any additional capital receipts have not yet been taken and will be within the remit of Section 151 Officer to determine best use in managing the Council's finances.

### ***Policy***

- 35 This paper provides the Sub-Committee information relating to its role, enabling it to undertake its functions as set out in the constitution.

### ***Equality, Diversity, and Inclusion***

- 36 This is an information report that describes the Council's acquisition and disposal of property activity identifying the linkages between these activities and the MTFS. It does not consider any individual property transactions. Equality implications are considered at the point of creation of the MTFS and at the point that a decision is made about the individual property transactions and therefore an Equality Impact Assessment is not required to support this report.

### ***Human Resources***

37 None.

### ***Risk Management***

38 Presently there is uncertainty in the UK property market, and this is anticipated to have an impact on the Council's property transactions. This uncertainty is due to the widely reported national and international economic conditions and are outside the control of the Council.

39 The risks associated with management of risk for property transactions are dealt with on a case by case, at a project and programme level. There is a risk that the Council is not able to achieve the target that it has set out for Capital Receipts. This is managed at these levels and risks are escalated where appropriate.

### ***Rural Communities***

40 None directly. The programme of acquisitions directly supports programmes of activity that the Council undertakes to achieve its aims and priorities.

### ***Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)***

41 None directly. The programme of acquisitions directly supports programmes of activity that the Council undertakes to achieve its aims and priorities.

### ***Public Health***

42 None directly. The programme of acquisitions directly supports programmes of activity that the Council undertakes to achieve its aims and priorities.

### ***Climate Change***

43 None directly. Climate change implications are considered on a case-by-case basis for each project requiring acquisition or each disposal activity. However, by undertaking a programme of disposals will have a wide range of implications for the Council. This will allow the Council to have a smaller leaner estate, which in turn will generate opportunities for efficiencies and minimising the amount of carbon generated by the Council in its day-to-day activities. Releasing unwanted assets for future economic use will also have benefits potentially reducing the generation of carbon in future construction projects by third parties.



<b>Access to Information</b>	
Contact Officer:	Lee Beckett - <a href="mailto:Lee.beckett@cheshireeast.gov.uk">Lee.beckett@cheshireeast.gov.uk</a>
Appendices:	<ul style="list-style-type: none"> <li>• Appendix A – Summary of Acquisitions completed.</li> <li>• Appendix B – Summary of Disposals completed.</li> <li>• Appendix C – Disposals Programme: - EXEMPT FROM PUBLICATION.</li> </ul>
Background Papers:	None.

## Appendix A

### OPEN

#### **Summary of Acquisitions**

Each key acquisition will have been subject to Cabinet or Council decision making, with appropriate delegations to officers to progress, and within reports and decisions appropriate budget provision was identified and included into the Medium-Term Financial Strategy (MTFS).

Acquisitions (and legal agreements)	2024/25 (Number of Schemes)
Acquisition for operational reasons	01
1. Land at Mill Street, Crewe (Mill Street Regeneration Project) – completed on the 29 <sup>th</sup> of September 2024 for £228,000.	

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**Completed Disposal 2024-2025**

COMPLETED SALES	Receipt Value £	Completion Date
Mode Cottage, Mobberley	£330,000.00	11/04/2024
Wellington House, Crewe	£135,000.00	31/05/2024
Redroofs, Alderley Edge	£668,000.00	23/08/2024
Land (parking) at Broken Cross Club, off Fallibroome Road, Macclesfield	£65,000.00	14/10/2024
Land adj to Electra House, CBP, Crewe	£25,000.00	05/03/2025
<b>TOTAL COMPLETED SALES</b>	<b>£1,223,000.00</b>	