Update on Asset Sales OSC

24 September 2025
Strategic Director CDN – Richard Sword

ASSET SALES

- The 2025/26 Budget Strategy includes 5 strands to support bridging the budget gap, one of which was to generate £60m of capital receipts from property sales.
- Asset sales generate one-off capital receipts which can be used to finance capital expenditure or repay debt.
- At some point, it may become necessary to use these receipts to support revenue expenditure, but this would require permission from the Secretary of State through a "capitalisation direction". Permission would not be granted without a credible savings plan.

ASSET DISPOSALS CRITERIA

Key Criteria	Commentary
Low yielding assets	Assets generally below 4% yield to be identified
Public Interest	Identify assets of low value to the public
Strategically important	Ensure assets of low strategic importance or already part of a continued delivery strategy
Speed of delivery (wherever possible)	Asset which can be sold quickly to generate receipt in time

DISPOSAL DUE DILIGENCE

- Local Plan.
- Two External valuations.
- Strategic value of the Asset.
- Ownership adjacencies.
- Planning pre-application advice.
- Legal title review and searches.
- Sale contract- Heads of Terms.
- Restrictive covenants/user clause/overage where applicable.
- Development build out period.

ASSET DISPOSALS GOVERNANCE

Stages	Process for assets	Governance
	Asset identified for disposal - Tabled at Asset Disposal Board	Asset Summary - Acquisition history - Site details - Internal valuation and yield identification - Title details - Repurpose options
2	Asset board determines site suitable for disposal - Formal report to Asset Board	As stage 1 plus - Detailed report - Two external valuations
3	Asset Board determines site can be sold -Briefing to the Executive	 Asset agreed for disposal Executive Decision (ED) if land transaction rules/scheme of delegation required DPC where outside of ED scope

ASSET BOARD- MEMBERSHIP

- Strategic Director City Development & Neighbourhoods (CDN)
- Director Estates & Building Services (EBS)
- Director Planning Development & Transportation (PD&T)
- Representatives from
 - EBS, PD&T
 - Legal Services
 - Finance

EXECUTIVE DECISIONS (PROPERTY)

 Asset Disposals related Executive Decision criteria listed in Executive Members' Portfolios. (The City Mayor's Scheme of Delegation)

- Paragraph 8.
 Freehold acquisitions, disposals and appropriations of property where the market value exceeds £500,000.
- Paragraph 10.
 Disposals of land and property at less than best consideration.

DISPOSAL ROUTES

- Repurpose
- Special Purchaser
- Private Treaty
- Informal Tender (sealed bids)
- Formal Tender (contractual bids)
- Auction

DISPOSAL PROFILE

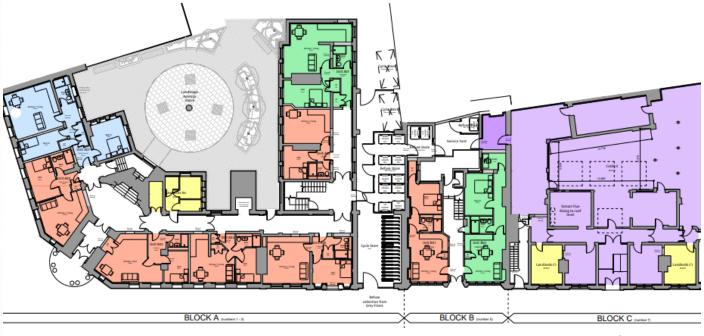
Sold and contractually secured £16.3m

• Sites at advanced terms stage or STC/ED £32.6m.

 Further pipeline of £11.1m of assets to be reviewed, progressed and completed by 2027/28.

GREYFRIARS (SOLD)





- Sympathetic redevelopment within the Greyfriars Conservation Area.
- Regeneration of a listed asset.
- Supporting the City's Housing supply.
- Commercial space offer.