

Update on Asset Sales OSC

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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
1	Asset identified for disposal - Tabled at Asset Disposal Board	Asset Summary <ul style="list-style-type: none"> - 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 <ul style="list-style-type: none"> - Detailed report - Two external valuations
3	Asset Board determines site can be sold -Briefing to the Executive	Asset agreed for disposal <ul style="list-style-type: none"> - 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.