Appendix A

ASSETS OPTIMISATION PLAN

1 Purpose and scope

1.1 West Berkshire Council approved a Finance Improvement Plan in December 2025, as part of its strategy to become a more financially resilient council. This recognised the need for an Assets Optimisation Plan (the Plan), to ensure that the Council's assets were being used in the most effective manner, and to identify a pipeline of potential disposals. This will sit alongside the Strategic Asset Management Plan (SAMP).

1.2 This document sets out a framework to deliver capital receipts, and to generate revenue savings and improved use of the Council's assets.

1.3 The Plan will assist with the stabilisation of the revenue position and will rebuild resilience by generating prudent capital receipts from *non-core assets.* This should secure recurrent savings via estate optimisation and protecting and improving community outcomes.

1.4 The Plan will consider all of the Council's land and buildings (operational and non-operational), investment properties, surplus sites, development of land and long leases of the Council.

1.5 Whilst all land and buildings are in scope, particular care needs to be taken with:

(a) Housing assets

(b) Community assets

(c) Heritage assets

2 Strategic Objectives & Outcomes (over term of MTFS)

2.1 The Assets Optimisation Plan has four main objectives:

(a) <u>Capital Receipts</u>:

Identify and deliver an appropriate programme of capital receipts whilst preserving existing revenue.

(b) <u>Revenue Savings</u>:

Achieve recurring MTFS savings via estate consolidation, co-location, asset optimisation and efficiency; use Flexible Use of Capital receipts Policy to fund appropriate qualifying transformation costs.

(c) Governance & Best Value:

Evidence robust appraisal, transparency and assurance in line with statutory guidance; publish progress.

(d) Community Safeguards:

Apply balanced approach to community/heritage assets.

3 Asset Baseline and Classification

3.1 A single assets database has been created for purpose of the Plan (to include property description + valuation + title + constraints + energy + service dependency; asset use, current options).

3.2 Properties within the database will be classified as follows are detailed below, together with the value of each category of assets:

	Classification	Purpose	Examples	Value £'m
1.	**Operational Assets**	*Held and occupied to deliver statutory or discretionary services (including leased-in assets)*	Council Dwellings: Houses used for social housing Other Land and Buildings: Schools, offices, libraries, depots Carparks	225.8
2.	**Investment Properties**	*Held solely for rental income or capital appreciation rather than service provision.*	Investment Portfolio, industrial estates, Farms	45.5
3.	**Infrastructure Assets**	*Held for statutory purpose*	Roads, footpaths, bridges, STP, recycling centres	11.9
4.	**Community Assets**	*Assets intended to be held in perpetuity with disposal restrictions*	Parks Historic buildings	2.6

5.	**Non-Operational Assets**	*Tangible assets not directly used for service delivery*	Community Centres	33.2
6.	**Surplus Assets**	*Assets no longer needed for service delivery but not yet sold*	Eg Land at Pheonix and 'Open Space'	1.4
7.	**Assets Under Construction**	*New buildings or infrastructure still being built*		-
8.	**Heritage Assets**	*Assets with special qualities held for their contribution to knowledge or culture (e.g., museum exhibits).*		2.4
9.	**Assets Held for Sale**	*Specifically identified for disposal within a year.*		-

4 Asset Identification and Prioritisation

5.1 Assets identified as surplus or sub-optimal will be prioritised into one of the three categories detailed below.

Pipeline categories:

- **Category A (Quick wins - 0–9 months – by April 2027):** For example, non-operational land, clean title. Enhance estate management to increase revenue collection. Improve aged debt collection to protect revenue.
- **Category B (Medium - 9–24 months – by July 2028):** For example: Office / Industrial sites, investments.
- **Category C (Complex - 24+ months – after July 2028):** Key operational assets, mixed-use, regeneration land requiring planning/Infrastructure, significant legal constraints, including but not limited to joint venture initiatives

5 Optimisation Routes

5.1 If a property has been identified as surplus or suboptimal, and it is considered that an alternative use exists, a business case will be developed to ensure that the proposal is sound and can be delivered. This is where the asset is "repurposed".

5.2 If a property has been identified as surplus or suboptimal, and it is considered that it should be disposed of, there are a number of options for disposing of property which can be considered, including the following:

- Open market sale which would be the preferred method to secure transparency and best consideration.
- Conditional sale/JV exit with deliverability safeguards where certainty outweighs speculative higher bids.
- Auction (generally only considered for small lots).
- Disposal by way of lease re-gear/assignment (>7 years triggers s.123)

6 Controls, Documentation & Assurance

6.1 Where an asset has been identified as surplus, the following steps will be undertaken to inform decision making:

- Asset Disposal File per asset: Title, valuation reports (unrestricted/restricted), s.123 compliance memo, Best Value statement, subsidy control assessment, equality impact, risk assessment, engagement record, decision log.
- Decisions will be taken by the relevant person or body and recorded under a delegated authority or Executive approval**.**

6.2 The controls are designed to ensure that all aspects of the disposal process are properly documented and managed in accordance with regulatory and organisational requirements. RegSular monitoring and thorough record-keeping will help to mitigate the risks associated with asset disposal, ensuring compliance and supporting transparency throughout the decision-making process.

7 Governance & Decision Controls

Programme Governance

- GPAW – Assets Board: Monthly report to review pipeline, new proposals, milestones, receipts and risks
- GPAW Assets Programme Risk Register: to measure status, target receipt, quarter of completion, dependencies, risks, mitigations.
- The GPAW Assets Board will provide regular updates to the Finance Improvement Group, which will in turn report to Executive to ensure that appropriate and regular updates are provided regarding the progress and implementation of this plan.
- Any key decisions to be taken as indicated in Appendix A and in line with existing legal and Constitutional parameters

- The timeline for the delivery of actions detailed in the plan is set out at Appendix B

Appendix A — Decision Flow Chart

- Is the asset essential to statutory delivery within 5 years?
  - If yes → Retain/Optimise.
  - If no → proceed.
- Can best consideration be achieved soon (clean title, viable market)?
  - If yes → Dispose.
  - If no: Is there a strong, evidenced well-being case?
    - If yes and undervalue ≤£2m → Consider General Disposal Consent 2003.
- Is planning uplift/JV value material?
  - If yes → JV/Development route (subject to Prudential/PWLB constraints).
- Is the site open space?
  - If yes - Ensure advertisements and objection handling before any decision.

Appendix B – Delivery Timeline

Delivery Timeline

Month 0–3 (By September 2026):

- Executive adopts the Assets Optimisation Plan
- Review pipeline
- Commence due diligence

- **Month 3–9 (By April 2027)**:
  - Market Category A assets
  - Develop business cases for Category A assets where an alternative use is identified
  - Receipts applied to capitalisation / transformation projects
  - Develop Pipeline on Category B properties
- **Month 9–24 (By July 2028)**:
  - Category B disposals
  - Develop business cases for Category B assets where an alternative use is identified
  - Receipts applied to capitalisation / transformation projects
  - continued assurance reporting
- **24+ months (After July 2028)**:
  - Category C reviewed
  - Periodic refresh of pipeline
  - Asset Optimisation Plan review and update