DISTRICT OF HARBOROUGH

Corporate Property Strategy

Disposal of Small Land Parcels Policy



Reviewed by

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Definition

The Councils Disposals and Acquisitions Policy defines the “disposal” of land and property as:

“The means by which it can…. divest and dispose of land and property that it considers are surplus to its service or investments needs.

All sales or acquisitions will be undertaken by the most appropriate commercially advantageous means.”

The disposal of small land parcels policy is subsidiary to the disposals and acquisitions policy and defines “small land parcels” as “as being less than 0.25 acres (1011 square meters) and not considered suitable for development.”

Property Strategy – Surplus Property

Land and property will only be determined as surplus if it no longer meets corporate and/or investment priorities. Land held as “open space” (or amenity land) is considered as held to support the provision of a council service.

Risk management

All activity relating to land and property will be undertaken within an environment that minimises risk to both services and the capital, or revenue, investment that has been made. This includes impacts on reputation. There will be appropriate reporting to ensure that parties are aware of the risk that is being faced by any disposal.

Transparency and fairness

This policy provides a framework which is both transparent and consistent and demonstrates fairness in the disposal of property assets.

Value for Money

Value for Money is at the heart of how the council delivers its services; regardless of whether these are front-line or back-office. In respect of the management of land and property, the council will ensure that the council is only holding an optimum balance of assets to meet both its service and investment requirements.

Small Land Sales Policy

- Small land parcels will be less than 0.25 acres (1,011 square meters) and not considered suitable for development.

- Small land parcels will only be determined as surplus if the land no longer meets service, corporate and/or investment priorities.

- Land and property will only be disposed when it is concluded that no other use can be made of the asset, within statutory provisions.

- Prior to sale, partners of the council may be contacted to determine if there is an alternative use for the land and property.

- The council will also undertake investigations into the legal, planning, financial and other aspects of the land before selling.

- Subject to legislative requirements, the council will seek to obtain the best consideration reasonably obtainable in accordance with Section 123 of the Local Government Act 1972. Where disposal at less than best consideration is proposed, this will only take place in compliance with the General Disposal Consent (England) 2003 or with specific Secretary of State consent.

- Small land parcels will be disposed of as expeditiously as possible; this will not be via application but via selected open tender that will be advertised on the councils website.

- Persons wishing to purchase small land parcels can nominate land they wish to be considered for disposal. Such nominated parcels will be:
    - added to the list of sites for consideration,
    - subject to the processes outlined above,
    - if suitable, will be added to a future open tender exercise.
    - A nomination fee of £500 is required (this does not confirm any rights to purchase and is non-returnable) to cover administration and initial feasibility assessment costs.

- No matter the means of sale, the purchaser of respective small land parcels will meet all legal (and ancillary costs) of the seller. However, other than “sale by auction”, the purchaser will be charged a fixed fee for the administration of the sale, this is noted in Table 1 below.

Public Engagement Considerations

- The council's communication team will be consulted to ensure that any disposal of land and buildings is undertaken in a proportionate way. For such small land disposals, consultation with partners may not be applicable or appropriate. However, ward members will be consulted prior to disposal.

- Consideration will be given to the statutory requirements of the Local Government Act 1972 and the Town and County Planning Act 1990

Performance Management

Where receipts exceed £10,000, these will be capital receipts and will be accounted for as such, including being mapped against capital receipt targets that will be assessed annually and progress will be reported to the corporate management team and cabinet as part of the routine budget monitoring cycle.

There will be ongoing monitoring of disposals between the responsible officers and the parties selling or otherwise concerned with the disposal. There will be appropriate reporting to corporate management team where performance is in question.

Overarching Policy

All valuations of land will be undertaken by suitably qualified professionals. VAT and other tax implications will always be considered.

Resources

The resource implications, including legal, finance and procurement will be considered for every disposal or acquisition of land and buildings and both members and officers will be required to comply with the pertinent requirements of procurement and financial governance within the constitution. The financial thresholds for the sale of small land parcels are less than those required of the wider disposals and acquisitions because small land sales are "smaller by their nature". The thresholds are as shown in table 1 below:

Thresholds of the Sale or Transfer of Small Land Parcels		**Table 1**
All sales and transfers will include the transfer of all associated liabilities		**Minimum Administration Charge (*)**
Transfer of Small Land Parcels to Other Public Bodies		
£0- £10,000	Director of Resources (& S.151 Officer)	£500
£10,000- £50,000		£1,000
£50,000 - £100,000		£1,500
£100,000 - £500,000		£2,000
£500,000 plus	Cabinet	£3,000
Sale of Small Parcels of Land		
£0 -£10,000		£1,000
£10,000- £100,000		£1,500
£100,000 - £500,000		£2,000
£500,000 plus	Cabinet	£3,000

This administration charge excludes all legal and other ancillary costs. Further it is the minimum charge that any prospective purchaser will pay. If any sale requires additional officer time beyond what would reasonably be expected, the purchaser will be required to meet this higher charge.

Governance

The Council will have regard to all statutory and local regulations, including reporting to corporate management team and in line with the constitution. All disposal decisions i.e. those to be included in the small land disposal programme will be reported to cabinet. However, there will be times where “time will be of the essence” and all such disposals will be reported retrospectively to cabinet.