

ANNEX 3

Land and Property Disposal Policy

2020 – 2024

- 1. Introduction**
- 2. Definition of Surplus**
- 3. Underused Property**
- 4. Identifying sites**
- 5. Site Investigations**
- 6. Consultation**
- 7. Land Use**
- 8. Scheme Design**
- 9. Valuation**
- 10. Disposal Method**
- 11. Costs**
- 12. Timing**
- 13. Reporting Process**
- 14. Sale Instructions and Completion**

1 Introduction

- 1.1 This policy supports and contributes to achieving the Council's corporate strategic objectives.

Disposal of assets and future acquisition of property has a direct link to:

- Improving the appearance of the Borough
- Improving service to customers
- Well managed property portfolio
- Strengthens the Council's financial position

- 1.2 This policy sets out the core principles to be applied when considering land or property for disposal. It also details, in sequence, the procedure to be adopted in connection with the disposal of identified non-operational land and surplus Council owned property.

Non-operational land and property is defined as an asset from which the Council does not provide a service. Examples would be vacant land and industrial ground rents – land and buildings not occupied by ourselves.

Operational land is defined by assets that are directly used to provide a service. An example would be the Council offices at Kings Hill.

2 Definition of Surplus

- 2.1 A property is deemed to be surplus to the Council's requirements if:

- a) it makes no contribution to the delivery of the Council's services or strategic objectives, nor generates any income and it has no potential for future service delivery or strategic or regeneration/redevelopment purposes; or
- b) an alternative site has been identified which would achieve a more cost effective service delivery and the existing site has no potential for future alternative service delivery or strategic or regeneration/redevelopment purposes.

3 Underused Property

- 3.1 A property can be deemed to be underused if either:

- a) the income being generated from the site is below that which could be achieved from –
 - an alternative use
 - disposing of the site and investing the income
 - intensifying the existing use

- b) if 50% of a receipt could be invested in a more appropriate asset

4 Identifying Sites

4.1 Sites for possible disposal may be identified in the following ways:

- a) a travel process of the Council's Asset Register to identify possible sites that could have a high probability of obtaining planning permission
- b) in conjunction with the Local Plan
- c) through work being undertaken by the Council's Estates Services Manager and, in addition, the appointment of external asset review consultants appraising Tonbridge Town Centre
- d) through services declaring specific sites as being surplus to requirements

5 Core Principles

5.1 Any decision in relation to a proposed land disposal or development upon existing Council owned land should consider the following principles

1- Identification of land for disposal/ redevelopment –

The Council will consider

- (a) whether the existing use of land makes a strategic contribution to the Council's objectives as set out in the Corporate Strategy;
- (b) whether the land has any potential for future strategic or regeneration/ redevelopment purposes;
- (c) whether an alternative site can be identified which would achieve a more cost effective service delivery for the existing use;
- (d) whether the disposal or redevelopment of the land would help facilitate the achievement of the objectives set out in the Corporate Strategy.

2- Site viability/ value for money – the Council will be guided by its statutory obligation to achieve the best consideration. Disposals are expected to be at market value predicated on the nature of the asset and any agreed mix of uses. Disposals at an undervalue should only be considered in circumstances where the Council considers that the purpose for which the land is to be disposed is likely to meet the tests set out in the Local Government Act 1972 General Disposal Consent (England) 2003;

- 3 - Supporting economic regeneration** – any decision in relation to the Council’s asset base shall complement the objectives set out in the Council’s Economic Regeneration Strategy, and in particular shall maintain or enhance the vitality and viability of the Borough;
- 4- Local Plan** – any land disposal or development upon existing Council owned land should help deliver the Council’s local plan objectives.
- 5- Climate Change** – any decision must seek to uphold the aims and objectives set out in the Council’s Climate Change Strategy.

6. Site Investigations

- 6.1 Once a potential site has been identified, the Estates Services Manager will consult with Legal Services and Planning Services to establish whether there are any constraints in respect of development or Change of Use on the site.
- 6.2 Desk studies into previous land use history will be carried out where appropriate.
- 6.3 Where appropriate, topographical contamination studies will also be undertaken. Again where appropriate flood risk assessments and initial consultation with the Environment Agency will be undertaken.
- 6.4 Where appropriate, details of adjacent land owners will be sought and contact made where it is thought that there may be ‘marriage’ value or value to the adjacent owner by acquiring the site.

7 Consultation

- 7.1 The following stakeholders will be consulted as a minimum when a potential site is identified:
 - Local Ward Members
 - Management Team
 - Cabinet Member for Finance, Innovation & Property
 - Where appropriate – the Environmental Agency and Statutory Authorities

8 Land Use

- 8.1 Some sites may already be designated for a specific use by the Local Plan. When this is not specific, the consultation as detailed in ‘6’ will indicate the preferred type of development:
 - Housing (Private)
 - Housing (Social)

- Industrial/Commercial
- Leisure, including community use
- Mixed development

9 Scheme Design

- 9.1 Where appropriate, Management Team may authorise that an external design consultant be appointed to produce a detailed design scheme to inform the valuation and the potential disposal of the site.
- 9.2 In some cases it may be appropriate to seek outline planning permission prior to offer of disposal.

10 Valuation

- 10.1 The Estates Manager, a member of the Royal Institute of Chartered Surveyors, will provide valuation advice.

11 Disposal Methods

- 11.1 The Estates Manager will recommend a method of disposal based on the individual site, proposed scheme and interest. This may be: Public Auction, Agency, Private Treaty, Sealed bids, Tender. Management Team will consider and approve the recommended disposal method.
- 11.2 Unless a 'special purchaser' has been identified, i.e. one who is prepared to pay a premium for the site (over and above market value), or has access rights to adjoining land, all potential purchasers are to be given an opportunity to tender/bid/submit an offer.
- 11.3 Where the disposal is by freehold or via a lease (in excess of a five year term) in line with the Council's constitution, Member approval will be sought for the disposal to proceed.

12 Costs

- 12.1 All staff costs, legal costs, consultants costs, marketing costs associated with any potential disposal of an asset (even where such costs do not lead to an actual disposal) are to be recharged to the cost centre/budget, where the Capital Receipt is, or would be placed, unless the Management Team decide to allocate a different budget.

13 Timing

- 13.1 The timing of any marketing and disposals is important and will need to be considered against the background of the Council's budgetary requirements, together with the current state of the property market.

13.2 Prior to a recommendation to Members to proceed with a disposal, the following factors will be considered.

- Is there an immediate need to raise a Capital Receipt?
- Current market conditions
- Potential for the site value to increase in the future
- Effect of Regional and Local Plan guidance– this will influence decisions on disposal of land as well as potential future use
- Future of adjacent sites being or becoming available that may increase the development potential of influence future use

14 Reporting

14.1 The Estates Manager will report to the Council’s Management Team on any potential surplus sites and disposal.

14.2 Following consideration and approval from Management Team, the matter will be reported to the Finance, Innovation and Property Advisory Board for consideration and approval.

15 Sale Instructions and Completion

15.1 Prior to disposal, the Estates Manager will instruct Legal Services on the pending disposal, instructing on any special conditions or rights to be retained etc. Legal Services will prepare a draft contract for sale.

15.2 Following completion, Management Team, the Cabinet Member for Finance, Innovation & Property and local ward Members will be informed of the sale date and the sale price achieved.

15.3 Following completion, the Asset Register will be amended and Financial Services informed so that records can be updated (non-domestic rates ledger, insurance and asset books).