

Asset Disposal Framework



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Asset Disposal Framework

1 Introduction

The Disposal Framework. ‘the framework’ sets out the process through which the Council will identify and dispose of assets that do not meet its strategic objectives as laid out in the Asset Strategy 2018-2028 ‘the strategy’.

The purpose of the Framework is to inform officers, Members and other interested parties of the process and principles by which the Council will identify and dispose of surplus land and built assets.

The Council’s Asset Base

In general terms the Council may hold land and property to meet the following objectives:

1: Operational: To service our office accommodation needs for our staff or partners.

2: Financial To generate revenue income and/or for capital investment.

3:Regeneration / Development To regenerate an area of the District.

4: Heritage To promote the heritage offer for the local area.

An asset will be identified as suitable for disposal and surplus to requirements if it can not evidence how it meets at least one of the objectives outlined in the Asset Strategy in its current condition and use.

The Assistant Director: Commercial Services and the S151 will make the decision to proceed in principal, in consultation with the Portfolio Holder and / or Leader, dependent on the value of the asset. The final disposal will require the application of the appropriate governance route as below.

The Council has a general power of disposal, contained in Section 123 of the Local Government Act 197. , This provides that local authorities are not permitted to dispose of land for a consideration which is less than the best which is reasonably obtainable, unless they first obtain consent from the Secretary of State.

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Assets to be considered for disposal will be identified through periodic review of the Asset Register. It will also need to be established whether there are any legal constraints, such as restrictions on land that would prevent disposal.

All negotiations for disposals should be advised by a suitably qualified property professional, preferably a member of the Royal Institution of Chartered Surveyors. This will include the production of Market Appraisals to demonstrate best consideration where appropriate.

The Council will aim to maximise its capital receipts, where possible, by enhancing the land prior to disposal; for example, by obtaining planning permission if this would result in a reasonable uplift in capital receipt after costs are taken into account.

A business case will be drafted and follow the appropriate governance arrangement as laid out below. A communication plan will also be considered to ensure residents and other stakeholders are aware of the Council's plans for site disposal when appropriate.

2 Disposal

The disposal of land is the transfer of a freehold or leasehold interest and grants of rights over land. This will include agreements to lease and options to purchase. The procedure for disposal of land is contained within this Framework.

Public Open space will not be disposed of unless there is a public interest and benefit to do so to meet the Council's corporate aims and objectives.

The Local Government Act 1972 and Town and Country Planning Act 1990 require a public consultation by placing advertising its intentions to dispose of public open space. Any objections will need to be considered prior to any final decisions on disposal.

The Council will dispose of assets by:

- Tender (Formal / Informal): by advertising and inviting sealed bids
- Private Treaty: In the case of limited interest, a marketing exercise would still need to be completed.
- Public Auction: If appropriate a reserve price will be set.

A valuation of the asset for disposal should be undertaken at the earliest opportunity in the process by a suitably qualified member independent valuer, prior to marketing for sale.

The Council has the power to dispose of land under section 123 of the Local Government Act 1972 at best consideration provided that land is not disposed, including leases granted in excess of 7 years, at an undervalue in accordance with the guidance set out in Circular 06/03 Local Government Act 1972: General Disposal Consent (England) 2003.

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Where a disposal is to be disposed of at an undervalue the Council must be able to justify and evidence that the sale for a value less than best consideration is for reasons of social, economic or environmental benefits. In such cases it would require a full Red Book Valuation.

Leases will be subject to the Lease policy (Amended 2018)

3 Governance

The Constitution provides for the following delegations:

Disposals of land with a value of up to £50,000 is a decision of the Portfolio Holder for Enterprise.

Disposals of land with a value of £50,001 and above is a decision of the Executive.

Disposal Framework: Procedure:

