

Appendix 3

PROCEDURE FOR DISPOSAL OF COUNCIL-OWNED PROPERTY

CHECKLIST – APPLICABLE TO ALL TRANSACTIONS

	Task	Date	Initial
1	Potential site identified for disposal. (For the purposes of this procedure, "disposal" includes freehold and long leasehold interests (being a lease in excess of 25 years).		
2	An officer to be designated as Lead Officer with overall responsibility for project managing the sale.		
3	Lead Officer to take the following concurrent action:-		
3a	Obtain certain minimum information to enable proposal to be assessed (e.g. that required for an outline planning applications)		
3b	Consult all potential internal service providers who may have an interest or possible use for the site together with any other officers and third parties.		
3c	Consult Planning Colleagues on authorised planning use and potential planning issues arising from proposed use.		
3d	Undertake a valuation of the property and identify any potential estate management issues that could arise from a sale.		
3e	Request Legal Services to confirm property owned by the Council and to provide a report on title, identifying any covenants or restrictions.		
3f	Consider whether any statutory or other consents required for disposal.		
3g	Consult Chief Finance Officer for advice on capital/revenue/VAT implications.		
3h	Consider any other relevant factors, e.g. whether property is open space/allotment land/Green Belt.		
4	Lead officer to make initial assessment of options and assess how soon any disposal should be brought forward (either next year (year 1), years 2-3 or years 4-5).		
5	Lead officer to provide draft report for approval to Head of CPS prior to submission to Service Head		
6	SH/CAMB to agree whether proposal should proceed. In reaching a decision the Group must have had explicit regard to (1) service implications (2) financial implications – capital, revenue, VAT, reclamation of disposal costs (3) planning		

	issues (4) legal issues		
7	<p>SH/CAMB to consider whether a transaction is a "major" one and to confirm priority of the proposal. A "major" transaction is defined as a site that meets one or more of the following criteria.</p> <p>a The site's value exceeds £250,000</p> <p>b The disposal raises complex or sensitive issues.</p> <p>c Results from an approach from a developer that could mean the Council could be dealing with just one party</p> <p>d The disposal or manner of disposal could create a precedent.</p>		
8	Assuming SH/CAMB approve proposal, Lead Officer to consult Ward Members, and, if the disposal is significant or potentially controversial, Lead Members.		

FOR MAJOR TRANSACTIONS

	Task	Date	Initial
1	Appoint Lead Officer. Appoint Project Team (if appropriate)		
2	Lead Officer to draw up disposal timetable, prepare/procure an indicative valuation, consider method of sale and prepare an estimated timescale for a capital receipt.		
3	Report back to AMG.		
4	Report to Cabinet at the outset on the principle of the scheme and, if applicable, seek authority to submit planning application (following adoption of any planning brief) Report to advise of indicative timetable, indicative capital receipt, proposed use of site and proposed method of sale.		
5	If appropriate, draw up a planning brief setting out the planning, legal and property management issues involved in a disposal of the site and seek Committee approval to planning brief.		
6	Once the planning brief has been approved, apply for planning permission.		
7	Site to be marketed.		
7a	In all cases, the use of specific covenants or conditions should be considered, such as limiting development to planning consent obtained or other agreed basis, agreed tenure (especially for Housing Associations or other charitable or voluntary organisations). Contracts should be expressed to be non-assignable unless exceptions are agreed with the Head of Valuation Services.		
8	Open tenders/receive offers.		
9	Evaluate tenders/offers.		
10	Lead Officer to make recommendation to AMG.		
11	Report to Cabinet detailing offers received and make recommendation to Council (if necessary)		
12	Instruct Legal Services to proceed with disposal.		
13	Undertake any further negotiations required during disposal process.		
14	Complete disposal, report outcome, update records and take any further action required.		

FOR MINOR TRANSACTIONS

N.B. It is assumed such transactions are undertaken with the scheme of delegation.

Although there is no requirement to appoint a Project Team and to draw up a planning brief, the Lead Officer is responsible for taking the following steps:-

	Task	Date	Initial
1	Lead Officer to draw up disposal timetable, prepare/procure and indicative valuation, consider method of sale and prepare an estimated timescale for a capital receipt.		
2	Proposal to be considered by AMG		
3	Lead Officer to consult relevant Commissioners and seek their confirmation that there are no issues that could constitute the sale being a "major" transaction.		
4	Ward Members to be consulted on proposed sale.		
5	Apply for planning permission to maximise the property value (if applicable). If no adverse comments received from Ward Members, commence marketing the site.		
6	Evaluate tenders/offers.		
7	Make recommendations to AMG. (NB In approving the proposal AMG must have been attended by Valuation Services Manager, Corporate Property Officer, Head of Finance, Head of Legal Services or the decision separately endorsed by them).		
8	Instruct Legal Services to proceed with disposal.		
9	Undertake any further negotiations required during disposal process.		
10	Complete disposal, report outcome, update records and take any further action required.		

NOTES

It is incumbent upon officers to ensure the following;

- Compliance with contract standing orders.
- That the Council meets its statutory obligations to obtain the best terms reasonably obtainable under the Local Government Act 1972.
- That consultation occurs, as required by the process, and that any other third parties with a legitimate interest are consulted at an appropriate time.