



Land Disposal Policy

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1.0 Introduction

1.1 Purpose

The Land Disposal Policy for small parcels of amenity land is aligned with the Asset Management Policy 2022/25 and seeks to regulate the process for deciding if a piece of land should be sold, together with the process for the actual sale or disposal of land.

1.2 Principles

In order to generate income and/or to reduce an ongoing liability for maintenance a decision to sell or dispose of land may be taken. This may include revenue generating (i.e. non-statutory allotment) and non-revenue generating land holdings. Consent from the Board or the Executive Director of Finance and Investment must be obtained before disposing of any social housing assets of which land is one.

It is in our interest to ensure that any land which is sold realises the maximum income possible unless the sale allows for an activity that meets one of the strategic Plan A objectives whereupon a lower receipt may be considered. Receipts will be reinvested into income generating social assets.

1.3 Definitions

- 1.3.1 Transfer Agreement – an agreement between Sedgefield Borough Council (now incorporated into Durham County Council (DCC) and Livin dated 30 March 2009 that sets out the conditions for the transfer of stock from the local authority to the housing provider.

2.0 Policy Statement

A key strategic priority is to ensure the efficiency of our organisation and to consider the disposal of land to reduce on-going future maintenance liabilities whilst at the same time generating a capital receipt.

Applications to purchase land will be dealt with in line with the Land Disposal Procedure, in a fair and consistent manner, and will also take account of the individual circumstances of each sale.

As a responsible housing provider and we will take account of the views of the local community when making decisions regarding the sale or disposal of land.

3.0 DCC Transfer Agreement (clawback provisions)

3.1 The transfer agreement provides that DCC is entitled to “claw back” sums in specific disposal situations where the value of the disposal exceeds a sale price of £7,500 (as at March 2009 + RPI from that date) if receipts are not recycled to provide new social housing. The clawback provisions remain in force until March 2024.

3.2 The transfer agreement also allows for land to be classed as an “exempt disposal” in circumstances where the land is sold to an owner of residential property where the land being sold adjoins the property of the residential owner and is for use ancillary to the residential use of the owner’s property and the value does not exceed the £7,500 (or such greater amount as shall reflect any increase in RPI).

4.0 Disposal Consent

4.1 In accordance with our governance rules, permission for the sale of any land in excess of £7,500 + RPI, (which in September 2022 is now £12,255) and which is not an “exempt disposal” must be sought from the Board. If the sale figure is below the exempt disposal figure the Executive Director of Finance and Investment has delegated authority to consider the proposed sale.

5.0 Land Disposals

5.1 The Land and Property Valuer is responsible for considering the circumstances of any potential sale in line with the criteria set out within the Land Disposal Procedure and if appropriate making a recommendation to the Board or the Executive Director of Finance and Investment for the sale. If the sale is authorised the Land and Property Valuer will, where appropriate, liaise with DCC to confirm exempt disposal status.

5.2 Selling land may be considered because:

- there are particular pieces of land which it would be advantageous to sell i.e. to reduce ongoing maintenance liability etc.
- an approach by an individual has been made who wishes to purchase a particular piece of land.

5.3 Marketing or promotion of land sales – the Land and Property Valuer may upon occasion advertise land and/or contact local residents in respect of land which is for sale. The process for advertising land is set out within the Land Disposal Procedures.

- 5.4 It will be the responsibility of a purchaser to demonstrate that any planning permission relating to a change of use for a piece of land will be forthcoming. The purchaser may also be responsible for any costs incurred i.e. independent valuations etc.

6.0 Land Suitable for Development

In respect of land for which there is development potential for housebuilding, it is not generally expected that these sites will be sold unless a specific decision is made regarding an individual site.

7.0 Disposal of Mortgage Rescue Property (MRP)

The Executive Director of Finance and Investment also has delegated authority to dispose or retain any MRP previously acquired under the now defunct Homes England Mortgage Rescue Scheme that has subsequently become vacant irrespective of the location. The Land and Property Valuer will make recommendations to the Executive Director for the sale of the property if it:

- o does not have sustainable demand
- o does not continue to make a positive contribution to the business plan
- o or, if there is no other clear rationale for retention See the Land Disposal Procedure for further details.

8.0 Monitoring and Review

This Policy will be reviewed by November 2025 and then every 3 years thereafter or will be reviewed to reflect any further changes in legislation, or earlier if there is a significant change in legislative or regulatory requirements or guidance.