

## KENT COUNTY COUNCIL

### Corporate Policy Overview Committee

#### PROPERTY DISPOSAL STRATEGY INFORMAL MEMBER GROUP

**NOTES** of a meeting of an Informal Member Group to consider Kent's Property Disposal Strategy held on Friday, 16 November 2007 in Sessions House, County Hall, Maidstone.

PRESENT: Mr E Hotson (Chairman), Mr T J Birkett and Mr I Chittenden.

ALSO PRESENT: Mr P Carter (Leader) and Mr D Brazier (Lead Member for Finance).

OFFICERS IN ATTENDANCE: Mr M Austerberry, Director of Property, Mr N Brown, Manager, Estates Team, Ms D Fitch, Assistant Democratic Services Manager (Policy Overview), Mr J Wale, Assistant to Chief Executive and Ms E Walker, Strategic Asset & Enterprise Fund Manager.

#### 1. Property Disposals

(1) Mr Austerberry presented a paper which gave a brief overview of property disposals and the processes involved.

(2) Mr Austerberry reminded Members that there were two types of capital receipts which were accounted for differently. Firstly, the largest capital receipt were from direct operational properties and the sum was usually immediately reinvested by that directorate in the service providing the project, e.g., a school might sell off some of its land and the money be reinvested in capital developments at schools. These types of disposals tended to be in the public domain for a long time and typically they got into the Forward Plan as they were projects that were worth more than £1 m. The second type of capital receipt was that from Property Enterprise sites, which tended to be for the sale of smaller pockets of land. This was where KCC identified the sites it owned which were of a non-operational nature and there was an opportunity to release a capital receipt for reinvestment. In the case of the monies raised from the sale of this land, alternative uses for this funding would be identified. In relation to both types of capital receipts, there were protocols.

(2) Mr Birkett stated that his group did not have any problems with sale of land but that he would like to be assured that there were audit trails in place showing where the money was spent, which could be accessed by Members.

(4) In response to a question on whether it was advantageous to seek planning permission prior to offering land for sale Mr Austerberry replied that in relation to the larger sites it would be cost effective to obtain planning permission prior to selling the land. However, in the case of smaller sites the bidders usually factored in the likelihood of getting planning permission and therefore it was not financially viable for KCC to get planning permission prior to disposal in those cases. This tended to be the case with Property Enterprise sites.

(5) Mr Chittenden asked how far in advance local Members were informed before land was put up for sale and was there an opportunity for local Members to have an influence. Mr Austerberry stated that in relation to larger sites, officers consulted via the directorate as part of their capital project. The Property Group consulted when the final decision was made through the budget process. Under all circumstances, local Members were given a minimum of 6 weeks' notice before the conclusion of the sale. Mr Chittenden questioned whether this was not a very short time even for a small project where it might be necessary to involve community groups who might wish to express an interest in the property.

(6) Mr Brazier informed the Group that the six week's notification period to the local Member had not proved to be a problem, as a lot of sites were not the subject of any further debate. It tended to be the case that large valuable pieces of land were known about locally and the potential for development was debated over a period of time.

(7) Mr Austerberry confirmed that each sale was looked at on an individual basis and there had been situations where community representations had been successful. However, it was the Property Group's role to maximise the cash value of the site but not at the expense of other interest. It was a decision for the Cabinet Member for Finance whether to sell the land and whether to take into account any community interest.

(8) Mr Brazier stated that in several instances where a piece of land was disposed off by the County Council, the community had suggested an alternative use and an accommodation had been reached. He confirmed that in relation to the six weeks' notice period, if circumstances warranted further consideration of interests expressed, then that could be extended. It was a minimum period. Mr Austerberry confirmed that the only time when there was a fixed end time was if the property was going to be auctioned but even in that situation, it could be withdrawn from one auction.

(9) The Leader explained that if the local Member(s) had a view on where money should be spent from, for example, the sale of school land, then they should lobby the Cabinet Members and officers to have this identified in the priorities for the budget.

(10) Mr Austerberry confirmed that it was the role of the Property Group to generate receipts but not to say how they were spent.

(11) In response to a Member, Mr Austerberry referred to the Quirk Review whose recommendations were around to trying to find a way for community groups to take over public assets which would otherwise fall into ruin. There were two critical factors. Firstly, the Community Group must be a group of standing and able to support Capital and Revenue project and secondly where the local authority could demonstrate a sound alternative use for the site which supports the objectives of the Council, they were under no obligation to make it available for community use.

(12) Mr Austerberry undertook to let Mr Chittenden have a list of sales over the last 12 months showing those which had been influenced by community representations.

(13) Mr Chittenden stated that he assumed that in relation to the sale of school sites, eg. playing fields, that the local Member would be involved as this can be a very emotive issue locally. Mr Brown replied that if part of a school was to be sold and this resulted in playing fields being disposed of then formal notification under Section 77 of the School Standards and Framework Act 1988 were sent to local Members when formal public consultation was required. Where parts of schools were to be sold and they did not fall within the full remit of the Section 77 of the above Act and no public consultation was necessary then local Members were not consulted.

(14) Mr Hotson mentioned that there was a time when it was difficult to get information from directorates and to get them to release land that they were holding. Mr Brazier confirmed that this situation had changed and Directorates did not hold onto land for long periods without having a specific use for it. The Property Group were ensuring that there was a comprehensive list of land and that Directorates were encouraged to release any that were surplus. Mr Brazier stated that they were now aware of all redundant and surplus property and there were regular meetings between the Directorates and the Leader to examine these and see if any of these could be released for sale.

(15) The Leader stated that there was a database tracking system for land and therefore the authority knew where their assets were. Mr Austerberry explained that there had been a marked change and Directorates had now worked out that if they released an asset, they got something back. Part of the problem had been getting directorates who were holding onto land for a specific project which was not coming to fruition to acknowledge the fact that this project was not progressing.

(16) Mr Hotson referred to the land that had been released in the Stone Street area which had been removed from blight and would make an important contribution to regeneration and this was something that could happen in other areas which would have a major benefit.

(17) Mr Birkett stated that he understood from the report that in relation to sales of land, if there was a receipt from sale of education land then the funding would go to education. He asked if the same principle was applied to the sale of surplus highway widening land, i.e. would the money generated go into the budget for Highway.

(18) It was confirmed that in relation to Highways land, the majority of it were just small pieces of land that would only be of use to frontages and would create minimal capital receipts. There were also a couple of acres of field, eg., next to Thanet Way which would be rural plots so again would not have a great value of the larger plot so only one or two that had development potential.

(19) Mr Birkett asked whether, if we were selling land that could be used by another local authority, or for community needs, did we sell this at a lower price. Ms Walker replied that local councils both Parish and District were notified at the same time as the local Member, i.e., Parish Councils, District Councils were given six weeks notice. If they had an initiative or a use for it, they were invited them to give us details and this would be

taken into consideration when the Cabinet Member made the decision on the sale of the land. Mr Brazier gave the example of a piece of redundant land in Sevenoaks where a price had been agreed with the Town Council for the purchase of the land which was probably not as much as could have been gained in auction but everybody was satisfied. The Leader confirmed that this was a delicate balance and if the local community had an alternative use for the land, it would have to be a reasonable use and we would have to be assured that the community use was viable.

(20) It was agreed that there would be an update in six months' time to the Corporate Services Policy Overview Committee setting out property disposal and the broader issues relating to the Property Groups service.