Kent County Council Freehold Property Assets Disposal Policy
Appendix B

KENT COUNTY COUNCIL DISPOSAL POLICY

Policy	Kent County Council Freehold Property Assets Disposal Policy
Description	Kent County Council (KCC) holds building and land assets for the purposes of delivering and supporting service delivery and deriving a financial return (capital and/or revenue) to support KCC's financial position. Where KCC has no further use or redeployment of these assets they are declared surplus. Surplus assets should be disposed of, which means sell or transfer them on to a new owner. Whilst KCC has a main statutory duty to transfer at best consideration (s123 Local Government Act 1972), there are other considerations and a degree of discretion as to the operation of a disposal. Any receipt arising from the disposal of KCC's asset is used to support KCC's capital investment priorities. This policy is devised to ensure that treatment of disposals is consistent, even-handed and aligned to KCC's duties, service requirements and wider objectives.
Requirements of the Policy	i. Sets out KCC's position ensuring an even-handed and transparent approach and meeting all its statutory and fiduciary requirements. ii. Prioritise a receipt to support KCC's Capital Programme and Service Investment requirements in line with the executives' priorities. iii. Recognise that opportunity cost may exist within offers that support wider community and social outcomes and consider them where they do not conflict with point ii. iv. Ensure there are clearly defined routes for KCC's disposal types and that statutory disposals (e.g. property required under a CPO or under Education or Academies Acts) may not be subject to the same evaluation criteria identified in the policy but will be treated in accordance with the statutory requirements. v. Able to effectively respond to KCC's Future Assets Strategy.
Impact	• Supports and demonstrates KCC's transparency and an even-handed approach to disposals. • Prioritises clearly KCC's requirement to use capital raised through the disposals programme for its re-investment requirements. • In the absence of a community asset transfer process, ensures that community and social outcomes can be considered in terms of "opportunity cost" to the Council if it is clearly demonstrated. • Improves the speed in responding to disposal challenges. • Become a basis for measuring the success of KCC's disposals programme and identify any areas where further improvement is necessary.

EQIA	Disposal of assets do not have any negative impact on any group screened under the EQIA. On transfer, a purchaser may reuse a property that may have positive impacts on groups screened under the EQIA.
Policy Operating Principles	**The process up to Evaluation of Disposal** 1. Disposals will comply with KCC's statutory and fiduciary duties and consider the use of powers it has under various instruments. 2. Management and decisions relating to a disposal asset will be conducted in accordance with KCC's constitution and more specifically (but not limited to) its Property Management Protocol. 3. Assets for disposal must first be declared surplus. Before an asset can be declared surplus, a process that examines whether there is a purpose to continue holding the asset must be completed. 4. All disposal assets will be properly assessed to understand potential and the most appropriate action necessary to meet it. 5. Depending on the asset type, 5 main routes to disposal are identified with slightly differing approaches. These are assets to be: • openly marketed • sold to a special purchaser • sold because a third party has requested it and the value is considered De Minimis • transferred/sold under statutory requirements • transferred to rectify matters arising from historical reasons. 6. All routes must satisfy minimum consultation, transparency, advertising and due diligence requirements. **Criteria Considered at Evaluation** 1. Time, cost and risk of continuing to hold the asset. 2. Confirmation / demonstration that all statutory requirements have been satisfied. 3. The financial consideration being offered. 4. The conditions precedent, if any, of the offers being held. 5. The estimated time until conditions being satisfied. 6. Ability and likelihood of applicant to complete. 7. Additional non-monetary returns. 8. Assessment against other due diligence as required. 9. Where it is to be transferred to a special purchaser, that the transparency conditions have been met. 10. Any comments following on from consultation activity. **Evaluation Criteria** 1. Ability to Complete the transaction within accepted timescales – ensuring KCC does not hold surplus assets with their associated costs and risks longer than necessary or have to remarket and sell incurring additional costs. 2. Financial Case – KCC will prioritise best financial consideration - ensuring that resources generated and saved can be redirected to KCC's statutory service and policy priorities as much as possible. 3. Social / Community Value Considerations – will be considered as an "opportunity cost" where there is a proven case that there is an opportunity for KCC to save or reallocate its budget to deliver its statutory services. This is assessed as follows:

	(Highest Acceptable Offer) – (Social Value Offer) = (Benefit Cost) *Where (Benefit Cost) must be at least equal to a sustainable service saving or budget reallocation plus demonstratable additional Social / Community benefit.* This is to ensure that investment is prioritised towards KCC's statutory and policy requirements as a first call, but that where Social / Community return can demonstrate added value over and above this, that it will be considered.
Period of Operation	5 years from date of policy implementation, whereupon it will be reviewed and renewed, or sooner where instructed by the Leader or Cabinet Member responsible for KCC's Property Estate.
Review	The policy will also be reviewed at year 1 and 3 to determine any impact on KCC's wider objectives and statutory requirements and to consider whether the policy should be amended to take account of changing circumstances and/or consider improvement opportunities.
Policy Ownership	Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services. Rebecca Spore, Director of Infrastructure Contact: Mark Cheverton MRICS Infrastructure Property Policy & Strategy Manager 03000 415940 mark.cheverton@kent.gov.uk