Borough Council of
King's Lynn &
West Norfolk

BCKL&WN Corporate Policy

Property Disposal Policy

Owner – ***senior responsible officer***	Jason Birch		
Responsible Person - **non-substantive updating**	Assistant Director Property & Projects		
Review Cycle	3 years	**Next Review Date**	2029
Equality Impact Assessment (EIA) Date		**Date approved by the CEWG**	
List any other impact assessments that have been completed – eg Data Protection IA, Environmental IA			
Date initially approved by Cabinet/Full Council			
Published to - internal, external or both			
Stakeholders consulted	All Cabinet Members, CLT Officers and Property and Projects Officers		

Revision Record		
Rev. No.	**Date of Issue**	**Reason for Revision**
1	XX/XX/XXXX	Introduction of a new Policy

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2. Executive summary

To Follow

3 Introduction

The Borough Council owns about 1200 property interests of various types including operational buildings, offices, retail, industrial, land, car parks, public open spaces, community centres, historic buildings and a whole range of miscellaneous properties.

The efficient management of any property portfolio includes a regular review of assets to ensure that objectives are met by each asset. If the asset is surplus to requirements or uneconomic to retain after review, then active management actions need to be taken that lead to disposal. Surplus assets should not be retained.

The UK government encourages local authorities to dispose of surplus and under-used assets. Where disposal is proposed, the Council must comply with S123 of the Local Government Act 1972 and related guidance. The aim is to ensure public land is used efficiently and to generate funds for public services and housing.

The council is currently subject to Local Government Reorganisation (LGR) and will not exist in its current form from May 2028. On 24 July 2025 the Minister of Housing Communities and Local Government (MHCLG) wrote to all councils concerned with guidance on financial decisions before LGR. The council must be congnisant of the sale or purchase of significant assets so that those actions will not “fetter the future decisions of new councils…” Similarly, the council should as part of the preparation to the lead up to LGR review its holdings and assist in the asset review of real estate holdings being considered for transfer to new organisations.

The Council considers that the same duties regarding efficient portfolio management would apply to the new authority. If the position is that the same services will continue to be delivered and there is no obvious service need to retain additional land/buildings for the benefit of the new authority, then it is appropriate for us to discharge the efficient portfolio management duty now rather than to wait.

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Transactions over £500,000 require Cabinet approval as a key decision under the Council's constitution. This will require Monitoring Officer and S151 officer sign off and consultation with successor/shadow bodies where appropriate.

4 Aims

This policy sets out the principles and procedures for the disposal of land and property assets owned by the Borough Council of King's Lynn and West Norfolk. It ensures that disposals are conducted in a transparent, consistent, and lawful manner, supporting the Council's strategic objectives and delivering best value for the community.

Objectives

- Ensure that disposals are lawful and evidence based.
- Comply with statutory obligations, governance procedures and best practice to mitigate risks to the Council
- To optimise capital receipts for reinvestment or debt repayment.
- To optimise investment returns where income from capital receipts can be better deployed.
- Reduce liabilities and maintenance costs – particularly where older properties have been poorly maintained, need significant enhancement for effective use or alternative use or are reaching the end of their economic life. Vacant land and buildings present liabilities and no revenue.
- Promote regeneration, economic development, and community benefit. Releasing surplus land and properties to the private sector can stimulate regeneration, create jobs and boost the local economy and lead to more efficient and innovative use and potentially provide much needed housing .
- Ensure disposals align with the Council's Corporate Strategy, most specifically the efficient and effective delivery of our services and to promote growth and prosperity.
- Estate modernisation, maintenance reduction, co-location.

5. Scope

The policy applies to the entire council owned property portfolio of both operational and non-operational land, buildings and property investments.

Disposal includes:

- Sale of freehold interest.
- Grant or assignment of lease over 7 years.
- Agreements for leases where the resulting term exceeds 7 years.
- Surrenders where materially altering interests.
- Options/overages.
- Granting of easements, options, or other property rights.

Short-term leases (under 7 years) are generally outside this policy but should follow its principles

6. Legal framework and relevant legislation

Disposals will comply with:

- Section 123 of the Local Government Act 1972 – duty to obtain "best consideration reasonably obtainable
- General Disposal Consent order (England) 2003 – allows disposal at less than best consideration where it promotes economic, social, or environmental well-being.
- Localism Act 2011 – general power of competence.
- Section 123(2A) Local Government Act 1972 – duty to advertise and consider objections before sale of public open space.
- Allotments Act 1925 (s8) - conditions before disposing of allotment land held by allotment societies
- Subsidy Control Act 2022 – relevant to below market value disposals.
- Assets of Community Value (Localism Act 2011 Pt5 CH3) - enables time for communities to bid.
- Other relevant legislation and guidance including MHCLG disposal guidance.

7. Roles and responsibilities

Under the Councils scheme of Delegation property disposals transactions, not affecting more than one third of the resident population of a ward, can be authorised as follows:

At market Value up to £250,000	AD Property and Projects or CEO
At market Value £251,000 to £499,999	AD Property and Projects or CEO following consultation with Portfolio Holders for Business and Finance
At market value at or above £500,000	Cabinet
Below market value	Cabinet
Affecting more than 1/3 of the residents of a Ward	Cabinet

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8. Identification of Surplus Assets

Assets may be deemed surplus at any time if:

- No longer required for operational purposes. If after engagement with service departments the property is identified as underused, vacant or not fit for purpose, it may be deemed surplus.
- A condition survey makes the property less viable to continue in its current use or form.
- Underperforming or uneconomical to retain. This requires an analysis of true lifecycle net internal rate of return (IRR) taking income, true costs (including officer time), and capital value into account. Where dilapidations at the end of a lease will be difficult to recover or unrecoverable maintenance costs are required, these need to be considered. An IRR below a rate assessed annually by the S151 officer.
- They provide no real social value to the Borough community at large and where it only provides a benefit that is disproportionate to the opportunity cost of the capital tied up in the asset.
- They do not form part of a wider strategic plan in the near future.
- Their disposal will not fetter the future decisions of a post LGR council.

Generally protected from being deemed surplus

- Historic assets unless a disposal via a Community Asset Transfer or an operational lease to a charity, trust or another public body.
- For open spaces of “public value” which are enjoyed by the wider community there will be a general presumption against declaring as surplus unless:
- Alternative provision of equal benefit is made locally
- It is deemed as important to the character of the area
- The area no longer provides an opportunity for sport recreation or leisure
- It is a small part of a larger site where sport, recreation, and leisure facilities can be retained and enhanced through redevelopment of that part.
- The assets are required for the regeneration of the area.
- Assets where there is an implied trust.
- There will be a general presumption against disposal of land designated as Protected Local Green Space through either the Local Plan or a Neighborhood plan. Any proposal must reference the relevant Local/Neighbourhood Plan policy and planning strategy.

- **Allotments:**
- Where land has been purchased or appropriated by the Council for use as statutory allotments, the Council cannot, without the consent of the Secretary of State, sell, appropriate, use or dispose of the land for any purpose other than use for allotments.

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- The Council will consider the disposal of an allotment against the following criteria, having regard to the Secretary of State's guidance on allotment disposal:
- The number of people on the waiting list has been effectively taken into account.
- The Council has actively promoted and publicised the availability of other sites and has consulted the National Allotment Society; and
- The implications of disposal for other relevant policies, in particular, the local plan and neighbourhood plan policies have been considered.
- Consideration should be given to disposing to the Allotment Holders if they are incorporated (Allotments Act 1925 s8).

- **Amenity land:**

Amenity land is open space and landscaping areas that are common and valued features in most housing development. These can be provided for a number of reasons including:

- Highway verges or visibility splays to provide good safety standards for drivers, cyclists and pedestrians
- Children's play areas or informal recreation
- Areas of landscaping to improve the appearance of the housing estate

Certain rights, environmental or economic conditions may preclude the sale of amenity land for example:

- The land is subject to rights of way over it;
- The land is an important landscaping feature of the local environment or designated public open space.
- Sale of the land would incur additional costs for the Council (for example, the re-siting of lamp posts or telephone cables) unless the applicant is willing to finance the additional costs (payable in advance);
- The land has been identified for future regeneration or development by the Council.
- Following a request to purchase amenity land, a review identifies future regeneration or development opportunities for the Council.
- The sale of the land may prejudice future development by the Council.
- There are management or other issues that would cause inconvenience to the Council if the land was to be sold.

- **Small Parcels of Land:**

From time to time, enquiries are received from residents who are interested in purchasing small parcels of land of less than 0.25 acres (1,011 m2). Dealing with casual requests can require significant officer time with no guarantee of a capital receipt.

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Persons wishing to purchase small land parcels owned by the council can nominate the land to be considered for disposal for a fee as published on the council's website. Such nominated land will be investigated by council officers and, if appropriate, scheduled for disposal subject to the terms of this Policy. The nomination fee does not grant the nominee any rights to purchase and is non-returnable.

- **Housing**

  A specific category of asset disposals falls under the Council's major housing programme, concerning properties and land interests that have been explicitly developed or acquired for the purpose of housing development and subsequent sale.

  The disposal of these housing assets, which is essential for realising capital receipts to fund the ongoing programme, is distinct from the general portfolio review. Furthermore, in facilitating efficient site completion and future management, the policy extends to cover necessary land transfers. This includes the transfer of land for road and utility adoptions to the relevant statutory undertakers or highway authorities, and transfers to management companies established to oversee the future efficient management of communal areas and infrastructure on the site.

  Authority also extends to cover bulk transfers of newly developed housing assets to Council-owned housing transfer organisations where the intended use is consistent with the original development brief. Specific Cabinet approval will only be required for bulk transfers to companies not owned by the Borough Council, or where the proposed use of the assets is not in accordance with the original intention underpinning the development programme.

  To ensure efficient and timely progression of the major housing programme, delegated authority for the sale of developed properties and for these necessary land transfers rests with the Assistant Director for Housing, Regeneration and Place and/or the Principal Project Manager responsible for the relevant scheme. These disposals and transfers will adhere to the principles of best consideration and transparency outlined in this policy, whilst ensuring the smooth delivery of the Council's housing strategy.

9. Methods of Disposal

- Open Market Sale – via auction, tender, or private treaty.
- Community Asset Transfer – where appropriate, under separate policy.
- Lease or Licence – where full disposal is not appropriate and greater ongoing control is required.
- Transfer to Public Sector Partners – where aligned with strategic goals. Eg Parish Councils or Freebridge Community Housing.

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10. Governance arrangements and oversight

- Each asset disposal is treated on its own merits and nothing in this Policy will bind the Council to a particular course of action.

- The reason for retaining an asset should be identified. Is it needed to discharge a statutory duty or a discretionary one.
- Potential disposals should be discussed with the portfolio holder and ward members at an early stage.
- All disposals must be approved in accordance with the Council's Constitution and Scheme of Delegation.
- Best value must be reasonably demonstrated through transparent market testing and/or valuation advice from suitably qualified professional advisors.
- Disposals below market value require Cabinet approval and justification under the General Disposal Consent.
- Requests to purchase Council owned assets will be dealt with in a fair manner but any person with an interest will have the opportunity to do so in circumstances no less favourable than anyone else at an open market level.
- Public open space disposals must be pre-advertised in a local newspaper for two consecutive weeks and objections should be considered by Cabinet with the option for call-in for scrutiny. Objections received under s123(2A) will be formally considered by Cabinet before any decision.
- Where planning permission is required, consultation must take place with the Assistant Director -Environment & Planning, to ascertain the likelihood of obtaining permission.

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11. Marketing and Transparency

- Assets will be marketed openly unless there is a compelling reason not to.
- All interested parties will be treated fairly and equitably.
- Disposal decisions will be documented and auditable.

12. Due Diligence

- Legal, financial, and environmental checks will be undertaken.
- Risks will be assessed and mitigated.
- Disposal terms will be clearly defined and legally binding.
- When disposing to voluntary groups or charitable organisations, business plans should be submitted and in the first instance disposal by leasehold rather than freehold should be considered.

13. Monitoring and Review

The policy will be reviewed every three years or sooner if required.

Disposal outcomes will be reported annually to Cabinet or as delegated.

14. Environmental implications

The Policy requires environmental checks to be carried out as part of due diligence prior to disposals. Environmental well-being may preclude the sale of some amenity land and may also provide a reason for disposals at less than best consideration under the General Disposal Consent Order (England) 2003.

15. Equality, Diversity and Inclusion

TO FOLLOW

We will continue to monitor this procedure to ensure that it allows equal access and does not discriminate against any individual or group of people.

16. Associated Documents

The Policy will form part of the Strategic Asset Management Plan that is due to be published later in 2006.

17. Appendices

TO FOLLOW

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