



Glasgow City Council

Neighbourhoods, Housing and Public Realm
City Development Committee

Report by Executive Director of Regeneration and the
Economy

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Item 3

4th June 2019

**PROPOSED POLICY FOR OFF MARKET DISPOSALS OF COUNCIL
PROPERTY AND LAND ASSETS**

Purpose of Report:

To consider the proposed policy for off market disposals of Council property and land assets.

Recommendations:

The Committee is asked to:

- Consider the contents of this report
- Agree that the report should be referred to the City Administration Committee for approval

Ward No(s):

Citywide: ✓

Local member(s) advised: Yes No consulted: Yes No X

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1 Introduction

- 1.1 The Council has for many years undertaken off market disposals of its property and land assets in certain circumstances. To ensure consistency and transparency of decision making it is proposed to formalise the process by the development of this policy that identifies the circumstances and conditions where the Council will support off market disposals,

2. Background

- 2.1 The Council has an obligation to maximise its return from the disposal of property and land assets that are deemed to be no longer required for operational purposes and that will further the economical and/or the social objectives of the Council.
- 2.2 Section 74 of the Local Government (Scotland) Act 1973 <https://www.legislation.gov.uk/ukpga/1973/65/contents> requires that the Council, when disposing of surplus property or land must seek to obtain the best possible price, reflecting the proposed or potential uses at the time of the disposal. Generally this means that the property or land is sold or leased following exposure to the open market and where there is, or likely to be competing interest.
- 2.3 Notwithstanding the above, the Council may in specific circumstances seek to dispose of property and land at a price below market value. In doing so however, the council must comply with the Disposal of Land by Local Authorities (Scotland) Regulations 2010. <https://www.gov.scot/publications/disposal-land-local-authorities-scotland-regulations-general-guidance/>
- 2.4 Additionally there are circumstances where a degree of flexibility in disposing of property and land assets is required and disposal 'off market' may be appropriate, whether at the best possible price or at a price which is below market value.
- 2.5 On occasion the Council is approached by a party who is interested in acquiring property or land by negotiation rather than it being exposed to the open market. Parties who have approached the Council on this basis include but are not limited to:
- Existing occupiers or tenants
 - Adjoining proprietors
 - Community/charitable organisations
 - Registered Social Landlords
- 2.6 Requests can range from applications to extend a proprietors garden ground into Council owned land to large scale social rented housing development sites.

3. Proposed Policy

- 3.1 When assessing whether to support an off market (nominated) disposal one or more of the following criteria will require to be met:
 - 3.1.1 Disposal to an adjoining proprietor where there is good reason for considering such sales e.g. land for extending gardens, extensions to residential or business premises
 - 3.1.2 Disposal to a previous owner where property and/or land was acquired under a Compulsory Purchase Order
 - 3.1.3 Excambions (exchanges of land) where there is mutual benefit
 - 3.1.4 Disposal to other public sector bodies
 - 3.1.5 Disposals to registered social landlords in support of the Council's strategic housing objectives
 - 3.1.6 Disposal that will support inward investment and socio economic objectives
 - 3.1.7 Disposal to sitting tenants who are properly constituted community associations and/or charitable organisations where the disposal will enable the asset to be owned and developed in a sustainable way for the benefit of the local community (cross refer to the Council's community asset transfer policy)
<https://www.glasgow.gov.uk/article/20590/Community-Asset-Transfer>
 - 3.1.8 An off market disposal should be considered as an exception rather than the general rule. In all circumstances an off market disposal should seek to produce financial and/or non-financial benefits in terms of generation of capital receipts, social, economic or environmental impacts that would be at least equivalent to those obtained through an open market disposal.
 - 3.1.9 To ensure openness and transparency all proposed off market disposals will be considered by the Council's Contracts and Property Committee in the first instance. The report presented will identify the criteria from the list above that has determined the benefits of an off market disposal.
 - 3.1.10 City Property Glasgow LLP will act as the Council's agents in negotiating off market disposals. Depending on the size and nature of the disposal there may be instances where an independent agent / valuer is appointed.
 - 3.1.11 Where off market negotiations are successfully concluded the decision as to whether to agree to the disposal will align to the Council's scheme of delegation financial thresholds, either being approved by the appropriate

nominated senior officer or reverting back to the Contracts and Property Committee for decision making.

4 Policy and Resource Implications

Resource Implications:

<i>Financial:</i>	This policy will support the generation of capital receipts for the Council.
<i>Legal:</i>	Transactions will be concluded in line with all legal requirements.
<i>Personnel:</i>	N/A
<i>Procurement:</i>	N/A

Council Strategic Plan: Off market disposals can vary significantly in terms of their intended future use that will contribute to many of the council's strategic plan priorities including:
Priorities 1, 3, 21, 68, 71, 72, 74, 78, 89, 80 and 81.

Equality and Socio-Economic Impacts:

<i>Does the proposal support the Council's Equality Outcomes 2017-22</i>	Yes, in specific transactions the proposals for future use will support the Council's equality outcomes.
<i>What are the potential equality impacts as a result of this report?</i>	(no significant impact, positive impact or negative impact) Positive impact aligned to specific transactions.
<i>Please highlight if the policy/proposal will help address socio economic disadvantage.</i>	Yes, aligned to specific transactions.

Sustainability Impacts:

<i>Environmental:</i>	Positive, aligned to specific transactions.
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*Social, including
Article 19
opportunities:*

Economic:

Positive, aligned to specific transactions.

**Privacy and Data
Protection impacts:**

3 Recommendations

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- Agree that the report should be referred to the City Administration Committee for approval