

## Asset and Property Management

### METHOD STATEMENT – FOR THE DISPOSAL OF LAND OR PROPERTY

The procedure describes the methods and activities to ensure a property sale is achieved meeting the objectives and targets and having regard to the council's policies, and best consideration requirements.

**Procedures and information contained in Annexes A, B and C are also to be followed.**

- Set up a Cedar project.
- If the property was previously occupied, arrange checklisting.
- Consider whether a freehold or leasehold disposal with restrictive covenants is appropriate.
- Is there any other council service required for this property?
- Could the property be of interest to partners?
- Is the sale to be at the best price or are there to be undervalue considerations?
- Prepare a report on objectives, marketing strategy, method of sale, timetable for disposal, budget and valuation for Head of Asset and Property Management.
- Obtain title advice. Ensure the property is Registered.
- Obtain any necessary Statutory Consents, e.g. School Standards and Frameworks Act or Housing Acts or Statutory allotments.

**Investigation** - carry out the following actions:

- Have arrangements been made to continue all utilities, telephones, security and fire alarm systems, or disconnect? *If service utilities are to be kept operational identify appropriate budget code.*
- Estimate costs of holding property up to disposal and provide these to Asset Manager.
- Read meters and obtain service records from utility companies (if appropriate).
- Obtain site plan/floor plans.
- **Check option to tax position, ie should VAT be added to the sale price (Annex C).**
- Research property title (tenancies, easements, covenants, rights and any adjoining property prescriptive rights).
- Research whether any of the utilities services cross the property.

- Establish whether “Crichel Down Rules” apply.
  - Carry out a survey of the property and boundaries. Check the plans.
  - Issues to consider: Defective Premises Act, listed buildings, ground contamination, health and safety issues, asbestos contamination and Energy Performance Certificate.
  - Is any part of the land considered to be public open space – Local Government Act 1972 procedures to be followed.
  - Consider whether any security measures, defence works or demolition are necessary prior to disposal.
  - Consider whether any improvements/repair works are necessary prior to disposal.
  - Availability and assessment of drainage, utility services and access in connection with any development potential of the land.
  - Establish current and alternative planning uses.
  - Consider obtaining planning permission for an alternative, more valuable use and the use of Planning Consultants to provide advice.
  - Consider Traffic Impact Assessment, Retail Impact Report, Environmental Assessment, Air Quality, Noise, Bat, Tree, Geotechnical Surveyors and S106 costs.
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- Inspect property on a regular basis.
  - Revalue as Non Current Asset Held For Sale (i.e. within 12 months) or PPE Surplus.

#### **Authority**

- If Member approval to sale is required (authority for a reserve sale figure and any sale conditions) is this to be done pre or post marketing.

#### **Marketing** - Carry out the following actions:-

- Prepare sale particulars including any background documentation.
- Arrange sale board, advertising, web site, York Enterprise.
- Circulate particulars to interested parties/ mail shot database.
- Respond to all queries.
- Make appointments and accompanied visits with prospective purchasers.
- Review market strategy and disposal timetable.
- **Report to Head of Commercial & Operational Asset Management on substantial amendments to disposal strategy, timetable or valuation and record on file.**

**Offers** - Carry out the following actions:-

- Maintain a record of interest shown in the property.
- Record all offers received (see tendering procedure).
- Set date and time to open offers.
- Consider offered price, prospective purchaser, track record, any conditional offer and certainty of completion.
- Agree a timetable with prospective purchaser for completion.
- **Check authority for sale.**
- Prepare and retain on file analysis of accepted offer and pre-valuation.

**Post Acceptance** - Carry out the following actions:

- Inform all the parties who made an offer accordingly.
- Issue instructions to Legal Services.
- **Seek Custom and Excise notification of option to tax (if appropriate).**
- Monitor progress of the sale and respond to queries regarding documentation.
- Set out boundaries on site (if appropriate).
- Take final readings and pass to Asset Manager.
- Obtain total cost of project from Business/Finance support and record on file for benchmarking purposes.
- Monitor progress and completion of all covenants and obligations to be met by purchaser.
- Arrange a Completion Statement – especially for investment sale.

**On completion**

- Obtain copy documents from Legal Services and pass file to Asset Manager for checklist to be applied and relevant utility companies advised of final readings and ensure all records are updated on TF.
- Complete Decision Notice on CYC website where necessary.

**METHOD STATEMENT FOR THE DISPOSAL OF LAND OR PROPERTY****Informal Tenders**

This annex describes procedures for property sales by informal tenders.

1. Tenders should only be received in sealed envelopes. They should not bear the name of the tenderer.
2. Tenders which are received should be kept secure until they are due to be opened.
3. All tenders are to be opened at the same time by at least two people one of whom is not otherwise involved in the tender process.
4. A record of tenders received is to be maintained including the name of the tenderer the amount of each tender and signatures of persons opening the tenders and the signature of the person receiving the tender for evaluation.

A line is drawn under the last entry and hatched lines are drawn between the line and signatures to prevent further names being added at a later date.

5. Compare the highest tender with the valuation.
6. The tender can be accepted, when either:-
  - a) Prior member approval has been given to sell the property at a recorded valuation.
  - b) The property has been identified as a surplus asset and listed in a previous member report with a recorded valuation or is a sale in a previously member approved policy area and approval has been given in line with the Constitution authorities.
7. Any post-tender negotiations are fully documented giving all outcomes and reasons and a log kept on file.
8. Late tenders – those received prior to legal being instructed must be at least considered – refer to the Head of Asset & Property Management.

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**KEY AUDIT DOCUMENTS**

This annex lists the documents that should be kept separate at the front of file and retained for a minimum of seven years after the sale has completed.

1. Completed Method Statement
2. Authority for disposal (report/minute reference).
3. Valuation report.
4. Sales/Marketing budget/costs.
5. Planning Permission(s) (if applicable).
6. Marketing particulars.
7. Method of sale (informal tender/auction).
8. Advertising record.
9. Log of Enquiries (initial posting).
10. Records of Offers.
11. Approval for post tender negotiations (if applicable).
12. VAT authorisation.
13. Authority for sale (report/minute reference).
14. Instructions to Legal Services.
15. Completion Notice/Legal document.

1. If the option is taken to 'Opt for Tax' this must be carried out in liaison with VAT Finance Officer.
2. Also, if the property is sold subject to existing tenancy/lease the tenant must be notified in writing that the council intends to 'Opt to Tax'.
3. A standard form should be completed if the option to 'Opt to Tax' is selected and signed by the nominated officer.