



Clerk and Chief Executive of each
District Council

Local Government Policy Division
6th Floor
Goodwood House
44-58 May Street
BELFAST
BT1 4NN
Telephone: 028 9025 6067
Email: norma.mccrory@doeni.gov.uk
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Circular No. LG 02/08

Dear Chief Executive

MANAGEMENT OF PUBLIC SECTOR LAND AND BUILDINGS

In Circular No. LG 03/06, issued on 01 June 2006, the Department provided councils with advice on the transfer of surplus land and buildings within the public sector and the disposal of land and buildings at less than best price or best rent. This circular supersedes LG 03/06.

TRANSFER OF SURPLUS LAND/BUILDINGS WITHIN THE PUBLIC SECTOR.

The Central Advisory Unit of the Land and Property Services has included all district councils in the public sector clearing house or trawling process since 2000, notifying them of any significant public sector lands deemed surplus and therefore potentially available for transfer. Some councils have utilised this service and have benefited from such transfers over the last few years.

The most recent guidance provided by the Land & Property Services (previously known as the Valuation & Lands Agency) in relation to the disposal of surplus public sector property in Northern Ireland can be found at:-

<http://www.lpsni.gov.uk/disposal-of-surplus-public-sector-property-ni.pdf>

This guidance is considered best practice in Northern Ireland and it is recommended that all district councils are familiar with its contents and operate these guidelines. Compliance with the guidelines should ensure that the interests of those councils transferring lands or buildings are safeguarded.

There are particular criteria set out in Chapter 6 of the guidance that you should include when applying for approval to transfer surplus land. District councils should endeavour to forward all information listed to assist the Department in coming to a decision.

CAU has asked that we bring the following points to your attention:-

- (i) all disposals whether to a public body or not, should be expedited as quickly as possible. Difficulties with disposals can be avoided if all legal detail regarding title, boundaries, wayleaves, restrictions or covenants are known prior to sending the DI form to CAU. Details about the D1 form are set out in Chapter 4;
- (ii) the guidance recommends that all approvals and business cases should be sought within six months of the property being declared surplus. CAU will consider property to be surplus when it receives the fully completed D1 form; and
- (iii) if there is no indication that the proposed acquiring body has carried out the necessary work to gain approval within a six month period, the transfer may be at risk and the disposing body will have the right to put the property on the open market.

Where a council wishes to acquire property, it should provide the Division with evidence that the disposing body is agreeable to the transfer.

Councils are also reminded that where they are disposing of property, they should advise this Division at an early stage of the name of the prospective acquiring body. The Department's approval to the disposal should be sought by a council once it has been informed by the acquiring body that it has obtained formal approval from its sponsor Department.

LAND TRANSFERS FOR SOCIAL HOUSING

The Minister for Social Development has initiated an audit within her own Department to critically examine all its land holdings and has asked the Housing Executive and all other Government Departments to carry out similar exercises. She has also indicated her desire to ensure that district councils and councillors, as elected representatives, become involved in this initiative aimed at addressing the lack of affordable housing in Northern Ireland. The use by district councils of the public sector clearing house or trawling process would ensure that they are fully involved in the initiative.

This Department supports the Minister for Social Development's initiative and would encourage all local councils to inform the CAU should any of their lands be deemed surplus and therefore available for public sector transfer prior to the land's disposal through other means.

Central Advisory Unit is available to answer any specific queries that might arise on 028 9054 3774 or 028 9054 3938.

DISPOSAL OF LAND/BUILDINGS AT LESS THAN BEST PRICE OR BEST RENT
SECTION 96(5) APPROVALS

Under Section 96(5) of the Local Government Act 1972, councils are required to seek the approval of the Department if the disposal of land and property is at less than best price or best rent.

96(5) - The right of a council to dispose of land shall be subject to the following restrictions:-

(a) except with the approval of the Ministry, any disposal of land shall be at the best price or for the best rent or otherwise on the best terms that can be reasonably obtained;

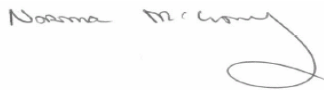
(b) any disposal of land which has been acquired otherwise by agreement shall be subject to the right of pre-emption conferred by sections 128 to 131 of the Lands Clauses Consolidation Act 1845.

Applications for such approval should include the following:-

- (i) full details of the proposed disposal;
- (ii) terms of the sale/disposal;
- (iii) details of any outstanding loans on the property;
- (iv) a current open market valuation of the land (within 6 months) from the district valuer or other independent qualified valuer; and
- (v) a map of the area for disposal and its position in relation to other council property within its immediate vicinity.

Should you require any further information regarding Local Government Policy Division's role in this procedure, please contact the Business Co ordination Unit on 028 9025 6068 or 028 9025 6059.

Yours sincerely



NORMA McCRORY

Business Co ordination Unit