

Appendix I

Royal Borough of Greenwich Disposal of Small Areas of HRA Land (Not Suitable for Development) Procedure 2019

Regeneration

Directorate of Regeneration, Enterprise and Skills

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1. Background and Context

- 1.1 Land and property transactions and disposals by local authorities are matters of public interest and, therefore, the relevant procedures for dealing with them should be clearly defined to ensure clarity and transparency for all relevant parties. Local authorities must comply with UK statutory requirements and EU procedures when disposing of their land and property assets. The procedures should be open, transparent, consistent, and competitive otherwise they risk challenge. There is an expectation that local authorities act fairly and are able to demonstrate fairness and transparency when disposing of property assets.
- 1.2 The Royal Borough of Greenwich (“the Council”) has introduced this procedure, headed “Disposal of Small Areas of HRA Land (Not Suitable for Development) Procedure” (the “Procedure”) to set out the Council’s approach to selling (either as a freehold or a leasehold interest) small areas deemed to be ‘housing’ land because they are held and managed by the Council through the Council’s Housing Revenue Account (HRA)¹. Please note that this Procedure does not cover the procedures for disposing of Land designated as open space by Planning, or non-housing land such as commercial property or community facilities.

2. Procedure Aims

- 2.1 The aim of this Procedure is to clearly set out the approach of the Council to the sale of small areas of land owned by the Council which are held for Housing purposes, and are limited to a maximum of 50 sqm, in area (hereafter known as “Small Housing Areas”). This will ensure requests are dealt with in a transparent, fair, and consistent manner.

3. Statutory Powers for Disposal

- 3.1 The authority for the Procedure is drawn from “The General Consent for the Disposal of Land held for the purposes of Part II of the Housing Act 1985 – 2013” (March 2013) (“the Consents Order”) which allows local authorities to dispose of housing land (subject to specified exceptions) for consideration equal to market value. In particular, paragraph 3.1 of the Consents Order permits a local authority to dispose of common parts of shared accommodation such as loft space or gardens and paragraph 3.2 permits a local authority to dispose of vacant land and assets that are not dwellings at any price determined by the local authority.
- 3.2 The Council would only dispose of its housing land (including Small Housing Areas) at its own discretion and is not under any statutory obligation to dispose of its

¹ Those authorities with council-owned housing stock have a duty to maintain an account called the Housing Revenue Account (HRA). The HRA specifically accounts for spending and income relating to the management and maintenance of the council-owned housing stock. By law the HRA must be kept separate from other Council accounts.

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housing assets, except under the “Right to Buy” scheme (introduced by the Housing Act 1980), which is not covered by this Procedure.

- 3.3 The Council may refuse an application to purchase at its discretion. Applicants will be provided with an explanation, except in cases where such information is considered commercially sensitive or the provision of information would breach confidentiality.

4. Decision Making Responsibilities

- 4.1 The Council’s Constitution sets out the decision-making responsibility of functions and which roles and positions in the Council will hold the responsibility for the final decision on a disposal in each case. A link to the “responsibility of functions” section of the Council’s Constitution can be found [here](#). [link to be inserted]
- 4.2 The Regeneration and Property Team within the Directorate of Regeneration, Enterprise and Skills (DRES), holds the responsibility for producing the necessary report (see para 6.10 below) to inform the final decision on the disposal but will work closely and consult with the Directorate of Housing and Safer Communities (HSC) and will seek the views of Tenancy Services, Capital Projects Project Manager, Planning, Highways, Property and any other relevant Council departments, to ensure an informed decision is made on any disposal.

5. Scope of the Procedure

- 5.1 This Procedure covers small areas of land identified as “Small Housing Areas” (as defined in para 2.1 above). This Procedure does not cover land being sold under the “Right to Buy” scheme, land which the Council is otherwise restricted from selling (e.g. because of restrictive covenants), and land with the potential for redevelopment such as (but not limited to) the development of affordable housing, other than this aspect being a criterion to assess whether land can be disposed of (see para 6.1 below). For the purposes of this Procedure the Council will consider an area of land to have the potential for affordable housing development if;
- A) the size, shape and area of the land would allow the development of one or more homes or other types of development
- Or
- B) the land has the potential to open up an additional piece of land (i.e. a ransom strip), and the size, shape, area of the additional piece of land opened up would allow the development of one or more homes
- 5.2 A procedural flow chart accompanies this Procedure (set out at appendix 2) and should be referred to in conjunction with the Procedure.

6. The Procedure

Criteria for determining a disposal

- 6.1 The Council's Housing Land is regarded as public property and is not usually for sale to benefit private individuals. Applications from private individuals to buy Small Housing Areas will be evaluated against the following criteria:
- 1) Could new affordable housing be built on the land? If it could then the Council will not progress the application to buy the land under this Procedure.
 - 2) Is part of the land already used by others, or others have rights over it such as rights of way or rights of access? This may include members of the public or other Council departments, or public/private utilities.
 - Sale of the land would involve the Council in additional costs, for example, the re-siting of lamp posts or telephone cables, except where the applicant is prepared to finance the additional costs.
 - 3) Is there is a wider community benefit to the disposal, for example, a rationalisation of small areas of 'backland', either under-utilised or often misused?
 - 4) Would a disposal help to alleviate any management issues in relation to the parcel of land concerned? For example, is it difficult or very costly to maintain or are there issues regarding the use of the land for anti-social behaviour?
 - 5) Are there extenuating circumstances in relation to the purchase of the land, such as, but not limited to, allowing a parking space to be created in an area where parking is difficult, subject to suitable access and the usual planning and highway permissions, and where this would not adversely affect the quality of life of others in the neighbourhood.
 - Is there potential for a wider market for the land? If so, it may be appropriate for it to be disposed of on the open market via a commercial website.
- 6.2 Applicants need to provide written evidence to support and justify the application to purchase the land. The assessment process may also include the need for the named Development Officer to carry out a site visit, possibly with officers from other Council departments.

Responsibilities and the processes applicable to the Procedure

- 6.3 The Regeneration and Property Team will play the lead role in dealing with any application to purchase small areas of Housing land, up to completion of the disposal. This will include providing the applicant with a named contact (normally the Development Officer or their Manager) for their application who will be the named

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single point of contact for the applicant. (the “**Case Officer**”) The Case Officer will also be responsible for all aspects of record keeping (including correspondence with the applicant and communications with internal service areas, including but not limited to Housing; Planning; Highways, Conservation). Where the Case Officer is absent for any reason, appropriate cover will be arranged, including for the officer providing cover to be fully briefed.

- 6.4 Set out below is a summary of the stages involved in utilising this Procedure and these should be read in conjunction with appendix 2 (flow chart of the process) and section 8 below (‘Service Standards’).

Stage 1. The application

- 6.5 After this Procedure has been approved, an application form will be made available on the Council’s website. This will need to be completed by the applicant and submitted to the Regeneration and Property team at small-sites@royalgreenwich.gov.uk (see section 7 below). You should email the Regeneration and Property team at small-sites@royalgreenwich.gov.uk and provide the following information;

- Your details, including a daytime phone number and an email address
- The location of the land you wish to purchase
- The reason you want to purchase the land and what you want to do with the land
- Upload any plans, pictures, location map, or other documentation to support your application
- In some instances we may require proof of address and proof of identity, where this is needed to confirm that the person requesting to purchase a piece of HRA land adjoining a specific property is the owner of that property.

Stage 2. Assessing the application

- 6.6 The assessment process will commence once the named Case Officer has written to the applicant to confirm that the fully complete application form has been received. The Case Officer will then have a period of 56 days from that date of confirmation to liaise with colleagues in the Council’s Tenancy Services, Planning, Highways, Property, Capital Projects, and New Housing Delivery teams, to ensure any key issues they wish to flag can be discussed with the applicant prior to the formal consultation stage (see para 6.7 below). The New Housing Delivery Team will determine whether any opportunities exist for the development of new affordable housing. The application will then be assessed by the Case Officer against the criteria set out in para 6.1 of this Procedure (see above), and a recommendation made. Only a recommendation can be made at this stage, as the formal decision to dispose of or lease land must be taken by the relevant decision-maker in accordance with the Council’s Constitution. The named Case Officer will then communicate the recommendation to the applicant.

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- 6.7 If the request to purchase meets the initial criteria of this Procedure (see 6.1 above) and a recommendation is made to dispose of the land then the process will only progress to the next stage on receipt of the administration fee of £550 (see section 7 below).

Stage 3. Formal Consultation and Valuation Process

- 6.8 Before any sale or lease is approved, local consultation on the proposal to dispose of the land will occur for a period of 28 days, starting within 7 days of the receipt of the application fee. The consultation will include direct neighbours of the land in question, including both residents and businesses (if applicable), the Housing Officer for the area, the Lead Member for Housing and local Councillors, as well as any other person or organisation who it may reasonably be said has an interest in the land in question. The consultation will be undertaken by the Case Officer on the advice of the Housing Officer. If, as a result of the consultation, information emerges which is material to the application then the Case Officer will advise the applicant of this and will ask the applicant to provide further information as relevant. The applicant will have 28 days to provide the information requested. If the applicant does not provide all the required information within the 28 day period no further action will be taken in respect of the application, the Case Officer will write to the applicant to advise them of this and the case will be closed. The results of the consultation will be included in any final decision report on the disposal.
- 6.9 If the consultation does not generate any objections, or results in objections which are resolved within the consultation period, the Case Officer will instruct the Council's valuer to commence the process of valuing the parcel of land and then seek to agree a sale price with the applicant or the applicant's agent. The valuer will consider whether the sale of the land may be of interest to more than one party (i.e. not only the individual applicant seeking to acquire the land). In these circumstances, the Council will seek offers for the land from all relevant parties within 28 days of the date the valuer was instructed and these offers will, alongside other aspects of this Procedure and assessment of the potential for housing development, and any information received via the consultation process, inform the Council's decision making process. If no other offers are received, the valuer will consider whether to continue the application.
- 6.10 Any objections received during the consultation period will be included in the report to the decision-maker for them to take into account in making their decision.

Stage 4. Formal Decision Making Process

- 6.11 Where an application to purchase land has been assessed against the criteria specified in para 6.1 above, the Case Officer will make a recommendation in a decision report on whether or not to sell the Housing land in question.
- 6.11 The decision report will include the reasons for recommending (or not recommending) the disposal and any comments received during the consultation

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process. If no comments were received during the consultation process this will be stated.

- 6.12 The decision is open to the Council's 'call in' procedure of any decision (except urgent decisions) taken by the Cabinet or a Key Decision taken by an Officer under delegated powers. The call-in procedure enables Councillors to challenge decisions. It is a statutory scrutiny function (Local Government Act 2000) that is intended to provide the opportunity for decisions to be reconsidered in exceptional circumstances. A link to the "call-in" section of the Council's Constitution can be found [here](#). [link to be inserted] Decisions that are 'Called in' may result in an additional 4-6 week time requirement to the standard set out in paragraph 9 of section 8, in which case the Case Officer will advise the applicant in writing of this.
- 6.13 All permitted disposals (whether freehold or leasehold) of Small Housing Areas will be subject to appropriate restrictions and/or other protections to ensure that the land is only used for the purpose(s) set out in the applicant's reason for purchase on the application form, and to prevent certain types of uses, activities or development on the site.

7. Fees and charges

- 7.1 Dealing with enquiries and issues that arise with the sale of Housing land will involve investigation, consultation and work with other departments for which the Council will incur costs. An administration charge of £550 will be made to cover the cost of processing requests relating to the sale of Housing land, payment to be made to the Council.
- 7.2 The applicant must assume all responsibility for paying all of the Council's legal fees, which will be determined by the Head of Legal Services after the valuer has instructed Legal Services to progress the sale, and to pay any charges associated with the change of use to the land. Legal fees must be paid via the applicant's solicitors.

8. Service Standards

- 8.1 The following timescales will apply to this procedure:
1. Acknowledgement, including providing the name and telephone number of the Case Officer dealing with the application: within **7 days** of receipt of a fully completed application form, or if the Application form is incomplete the Case Officer will advise of the additional information required within **7 days** of receipt.
 2. Outcome of the 'recommendation to dispose' assessment, according to the criteria set out at paragraph 6.1 above: within **56 days** following the acknowledgement of the fully completed application form.

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3. If the outcome of the assessment is a 'recommendation to dispose' then a formal consultation period, as per para 6.8, will be undertaken lasting **28 days** from the receipt of the £550 administration fee.
4. If, as a result of the consultation, information emerges which is material to the application then the applicant will be advised of this and asked to provide further information as relevant. The applicant will have **28 days** to provide the information requested. If the applicant does not provide all of the information requested no further action will be taken in respect of the application, the Case Officer will write to the applicant to advise them of this, and the case will be closed.
5. Outcome of the Consultation: the applicant will be informed within **7 days** of the closing date of the consultation.
6. Valuation negotiations: following completion of the consultation period the Case Officer will instruct the valuer to commence negotiations to agree a disposal price. The timescales for this will vary for each disposal but could take between **1-3 months**.
7. The valuer will consider whether the sale of the land may be of interest to more than one party (i.e. not only the individual applicant seeking to acquire the land). In these circumstances, the Council will seek offers for the land from all relevant parties within **28 days** of the date the valuer was instructed] and these offers will, alongside other aspects of the Procedure and any information received via the consultation process, inform the Council's decision making process. If no other offers are received within the **28 day** period, the valuer will consider whether to continue the application.
8. Preparation of the Decision Report: Once the purchase price is provisionally agreed with the applicant, a report will be prepared **within 28 days** following the date of the purchase price being agreed (if a Director decision) or **56 days** following the purchase price being agreed (if a Leader or Cabinet decision) to agree the disposal (which will include any comments received as part of the consultation).
9. The Decision: a decision will be made **within 14 days** following the date the report is finalised (if a Director decision) or at the proceeding Cabinet meeting (if a Leader or Cabinet decision). The decision will be subject to the Council's "Call- in" procedure which means other Councillors (a minimum of 5) can request, within 5 days of the publication of a decision, that the decision be scrutinised by the Council's Scrutiny Panel. If this happens then the Scrutiny Panel can make recommendations and request that the decision is taken again to take into account the Scrutiny Panel's recommendations. In these circumstances the Case officer will write to you to inform you when the decision will be reconsidered.
10. Decision: this will be notified to the applicant in writing by the Case Officer (or their manager) within **14 days** of the decision being made.

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11. Conveyancing commencement: The valuer will provide full instructions to Legal Services to start the conveyancing process within **14 days** of the date of the decision.
12. Conveyancing completion: this will vary for each site disposal, but could take a minimum of 8 weeks from the date of receiving full instructions to completion. Legal Services will take instructions from the valuer or the Case Officer, as appropriate. Legal Services will be responsible for communication with the applicant's solicitors from the date of receiving full instructions to completion and the named Case officer will remain the applicant's single point of contact throughout the conveyancing process until completion.

9. Monitoring and Review

- 9.1 The Council will monitor its performance in meeting the Service Standards set out in Section 8 of this Procedure.
- 9.2 The Assistant Director for Regeneration will conduct a review of this Procedure and how it has been applied (taking into account the performance monitoring information gathered as per para 9.1) every 3 years to make sure that the Procedure continues to be efficient and effective, whilst ensuring that it still meets current legislation and the Council's Constitution, and make a recommendation to the Director for Regeneration, Enterprise & Skills of any changes from time to time. .

10. Communicating the Procedure

Communications to staff

- 10.1 Managers and staff involved in the implementation of the Procedure will receive a copy of the Procedure and procedural flow chart.
- 10.2 The Council will provide sufficient training to enable staff to understand and comply with the Procedure.
- 10.3 A copy of the Procedure will be placed on the Council's website.
- 10.4 Any amendments to the Procedure will be communicated, in a timely manner, to managers and staff involved in implementing the policy. Revised Procedure documents will be circulated and placed on the Council's website.

Communications to the public

- 10.5 A fact-sheet providing details of the Procedure will be available to members of the public who apply or make an enquiry. It will cover the most frequently asked questions regarding the housing land sale process. A copy will be placed on the Council's website.

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