

ESTATES SERVICES

Terms, Conditions and guidance for

REQUESTS TO PURCHASE SMALL PARCELS OF COUNCIL OWNED LAND

Procedure for the Processing of Enquiries

The purpose of this note is to explain how and why the Council handles its land sales in a particular way, and to guide prospective purchasers through that process.

Important Background

Before explaining what we do, the prospective purchaser needs to know why we do it.

Statutory Duty

The Council is obliged to seek 'best consideration' upon disposal of any asset, (as required by Section 123 of the Local Government Act 1972). This usually means that the Council is under a statutory duty to obtain the best price reasonably obtainable for any property, or piece of land, which it sells. It also has a separate responsibility to be seen to deal ethically and fairly with all potentially interested parties. This means that any person who may have an interest in making an offer has the opportunity to do so in circumstances no less favourable than anybody else. To that extent, even if you are the only person to have initially enquired about the possibility of purchasing a particular piece of land and if a decision is made to sell that land, the Council ensure the opportunity of sale is available to anyone else who may be interested, whether they have previously expressed interest or not. It may mean writing to neighbours and/or advertising the land in the local press.

Procedure for Purchase

1. Usually the prospective purchaser has an idea that the land is Council owned and most commonly an enquiry starts with a telephone call to the Estates Services team or from searching the Council's web based ownership maps.
2. Once the guidance note has been read, the attached form should be completed and returned to Strategic Asset Management Team, Shropshire Council, Shirehall Abbey Foregate, Shrewsbury SY2 6ND or email: estates@shropshire.gov.uk

Please add as much detail as possible to identify the location and size of that land.

3. A Council Estates Surveyor from the Group will acknowledge receipt of your E-form or letter and tell you who is dealing with it. There will then be a short period whilst he/she investigates and consults within the Council.
4. The Estates Surveyor will establish if the land in question is within the ownership of the Council.
5. If it is, the Estates Surveyor will inspect the site and investigate the legal and historical background. The Estates Surveyor will also initiate a process of consultation with relevant Council Officers, the Member for the Ward in which the land is situated, and the Town/Parish Council. As a guide, this will usually take between four to six weeks depending upon available resources and the speed of reply from consultees. However, if any significant delay in consultation is experienced or if significant issues of concern about disposal are raised, this time-scale may increase.
6. Prospective Purchasers are advised at this stage to consult with the Local Planning Authority about the need for and likely prospects of obtaining planning consent for change of use of the land and the cost of obtaining that consent. It is likely that land not previously used for garden purposes, building extensions or parking etc. will need planning consent for a change of use. Any decision by the Council to sell the land is separate from any decision to grant planning consent and the prospective purchaser must not assume that planning consent will be granted automatically just because the Council ultimately decides to sell the land. It will be a condition of any sale that the prospective purchaser pays for and is responsible for obtaining that separate planning consent.

7. If the consultees do not have any objections and if there are no overall estate management objections, the Estates Surveyor will prepare the asset for disposal. For more significant pieces of land, the decision to sell must go to Cabinet for discussion and resolution
8. Once the sale of the land is approved in principle it can be advertised as being 'for sale' on a competitive basis and potentially interested neighbours will be written to. Adverts are usually placed on site and in relevant publications (Shropshire Star and local newspaper). The person responsible for initiating the sale process will, at this stage, be asked to pay the amount stated in the Cost Summary as a contribution towards advertising costs. The disposal will not proceed to the next stage if this payment is not made and is non-refundable.
9. The notice of sale will allow 14 days for "expressions of interest" from other parties in compliance with S.123 of the 1972 Local Government Act. This will set out what is to be offered for sale and what conditions will apply.
10. At the end of the above procedure all offers received will be considered. Provided bids are all at differing amounts and provided no additional issues arise (e.g. a special case whereby an offer other than the highest should be accepted) a provisional decision on the successful bid will be made.
11. Should similar offers be received, further offers in writing will be invited within a defined timescale until a clear 'winner' is obtained. Usually, small disposals can be approved by the appropriate director under his delegated powers. Approval of terms for larger disposals may have to be approved by Cabinet.
12. All parties will be advised as to the success of their bid for the land. Offers will only be accepted 'Subject to Contract'.
13. Often, the original enquirer is the only party to make an offer. Depending upon the amount offered, the Council may still decide not to accept it. It is not possible to give advice on the amount of the bid as every disposal is unique. However, the Estates Surveyor will have their own professional opinion of the value of the land and will not recommend acceptance of a lesser value
14. All sales, regardless of value, will require the successful purchaser to meet the Council's surveyors and legal fees. These will vary depending upon the value of the disposal and complexity of the sale but will not be less than the amount stated in the Cost Summary in each respect.
15. After acceptance of an offer, the Estates Surveyor will instruct the Council's Property Services Team to prepare transfer documentation. The Estates Surveyor will need to know the contact details of your Solicitor and you will have to meet your own Legal costs. Usually, at this stage you will submit your planning application for change of use, if this is relevant and completion can be deferred for a reasonable period whilst this is resolved.
16. In the interim period before formal exchange of sale contracts, although the Council will not encourage further interest in the land, potential purchasers should be aware that the Council is obliged to consider any higher offer that is subsequently submitted. Any costs incurred by a potential purchaser prior to completion are entirely at his/her own risk and cannot be recovered from Shropshire Council should a sale not proceed for any reason.
17. Exchange and Completion of sale will end the process.

Cost Summary -

Possible Costs Payable by the prospective purchaser

Advertisement actual costs including VAT

Value of land as valued but never less than £250

Council's surveyors fees £150

Council's minimum legal costs £300 plus disbursements

Planning application fee which is a National scale obtained from the Local Planning Authority

Purchasers own Solicitor's costs

Shropshire Council Estates Services, Shirehall, Abbey Foregate, Shrewsbury SY2 6ND

Tel: 01743 251082, fax 01743 252388, email estates@shropshire.gov.uk