**Department for Communities & Local Government**

**Homes & Communities Agency**

**Disposal of Surplus Public Sector Land & Buildings**

**Protocol for Land holding Departments**

**1 Background**

1.1 Ministers announced as part of Spending Review 2013 an overhaul of land sales, by centralising disposals in the Homes and Communities Agency (HCA) to ensure developable land is released efficiently to support housing and economic growth.

1.2 The HCA will assume full responsibility for the disposal of all developable and viable surplus land and buildings held by central government departments and their agencies. Any exceptions will be agreed between DCLG and HMT.

1.3 Surplus central government land and buildings which are deemed to be developable (and not restricted to residential) and viable in England and outside London will be subject to a statutory transfer to the HCA.

1.4 The process for identifying developable and viable land and property is set out below.

**2 Assessment of Development & Positive Value Surplus Land**

2.1 Once declared surplus, ALL central government property will be subject to an initial assessment to determine whether they are suitable for transfer to the HCA.

2.2 This initial assessment / filter process will quickly identify the majority of surplus central government properties which do **NOT** fit Governments centralised disposal model (developable & viable) and the HCA will confirm no further interest to the land holding department. Departments may then proceed to advertise the property on the open market or dispose of through other routes.

2.3 The HCA will assess ALL surplus property to establish which are out of scope for transfer to the HCA, according to the following:-

1. Land / Properties located outside of England
2. Land / Properties located within London
3. MoD, NHS Trust properties and the Public Forest Estate are not subject to transfer.

2.4 Surplus land and property which commenced the disposal process prior to 1 April 2015 may be and may not be suitable for statutory transfer to the HCA. These “well advanced” sites will have achieved one of the following disposal milestones:-

1. Concluded marketing with viable / acceptable offers received
2. OJEU procurement process commenced
3. Development partner or preferred bidder selected
4. Site forms part of an existing contractual arrangement with third parties including existing joint ventures
5. Sale contracts exchanged

NB – sites that have been marketed unsuccessfully will be within scope for transfer.

For each site which is deemed to be “well advanced” the land holding department will be required to provide evidence of the status to the HCA.

From 1April 2015 onwards, the marketing/disposal process should not have commenced the initial assessment / filter process or being declared surplus on the Register of Surplus Public Sector Land, part of the e-PIMS (electronic Property Management Information Mapping Service) maintained by Cabinet Office.

2.5 The HCA will be responsible for carrying out the initial assessment / filter Process based on information contained with e-PIMS. It is in the interest of land holding departments to ensure up to date information is contained within e-PIMS to allow a quick decision can be made on those sites which are not suitable for statutory transfer.

2.6 A wide cross section of government bodies are mandated to use e-PIMS and the Register of Surplus Public Sector Land. Once the disposing body has declared a site surplus and provided details for inclusion on the Register, there is a 40 working day window for public sector agencies and departments to identify new uses for this land. On expiry of this period the disposing body can advertise the site on the open market. (There is separate guidance from the GPU on free schools).

2.7 The initial assessment / filter process will work within the Registers existing 40 working day window:-

***Within 40 days of a freehold asset or long leasehold interest exceeding 99 years being placed upon the Register of Surplus Public Sector Land or declared surplus within e-PIMS, the Homes and Communities Agency will complete an initial assessment to determine whether the property may be suitable for transfer.***

***The 40 working day window will commence from receipt of a redline boundary plan or inclusion on the Register whichever is the later. The 40 day window may be extended where the land holding department has provided insufficient information to allow a reasonable assessment of development potential to take place.***

***Upon expiry of 40 working day window the HCA will confirm to the land owning department whether a site is potentially suitable for transfer and should be subject to further detailed due diligence. Where properties do not meet the criteria for transfer the land holding department may commence marketing of the property in the open market.***

***Surplus land and buildings should be recorded on e-PIMS at the earliest opportunity. An automated notification of new surplus sites added to e-PIMS will be sent to the HCA. Where a surplus site is not included on e-PIMS it is the responsibility of land holding departments to notify the HCA at the earliest opportunity and in advance of any marketing.***

**3 Statutory Transfers**

3.1 Surplus land and buildings which are assessed as potentially suitable for transfer to the HCA will be subject to a twelve week due diligence period. The twelve week period will commence after notification to the land holding department that a site is potentially suitable for transfer and where a red line boundary plan has been provided. If no such plan is available the commencement of the twelve week period will be deferred until receipt of the redline boundary plan from the land holding department.

3.2 The extent of due diligence will vary dependent upon the value of the property. For higher value properties due diligence may include:-

1. Independent current market valuation conducted by jointly-appointed third-party valuer.
2. Jointly-appointed technical due diligence *(eg environmental, H&S, development and building issues)*
3. Legal due diligence *(review site info, title check, contracts review)*

3.3 A schedule for transferring land will be agreed by HCA and the land holding department and a transfer scheme setting out the land to be transferred, and a date by which this will happen will be drafted and signed by the Minister or a delegated SCS in the Department for Communities and Local Government. The site legally transfers to the HCA, either immediately or at an agreed future date. The transfer scheme can include multiple sites and vacant possession is assumed.