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| Description: Cabinet Office logo |
|  | Government ReviewMaking Commercial Terms of Government Land Disposals More Transparent |
|  | March 2017 |
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# 1. Introduction

Transparency of data is important. Tools such as the Government Property Finder website[[1]](#footnote-1) make it easier for anyone to search and map the Government estate, including land and property for sale and to let.

Whilst some information on the commercial terms of Government land and property disposals can usually be found in the public domain, this is not comprehensive or in one place.

In this context, Government has reviewed how it can make the commercial terms of all Government land and property sales more transparent. This is intended to give greater assurance to the taxpayer that Government is delivering value for money for the public purse in its land disposals, and to make information on all disposals more accessible.

This review follows the publication of the National Audit Office (NAO) report, “The Disposal of Public Land for New Homes” (June 2015) and the 2015 Public Accounts Committee report on the same subject.  Both reports highlighted concerns about the transparency of commercial sales data in relation to government land and property sales. The NAO report included a number of case studies of recent Government land disposals and the information they had been able to collect. Both reports recommended that Government undertake a review into how such information could be made more transparent.

*“The Department should also review how it can increase transparency of agreed commercial terms for land disposals to provide greater assurance to the taxpayer that value for money has been achieved”*

**Public Accounts Committee 2015**

Cabinet Office (Government Property Unit) has led a cross-Government review. The approach has assumed a default position of full disclosure, with exceptions only where there is a strong justification.

This Transparency Review defines Government land and property disposals as either a sale of a freehold or leasehold interest which possesses capital value (i.e. where the leasehold is being sold as if it were a freehold interest) on the open market for a monetary consideration.

# 2. Summary of Findings

This Review has reached the following conclusions:

1. The following information was considered in respect of commercial terms for Government land and property disposals:

a) Location of land or property.

b) Size of land area.

c) Type of asset being disposed of (freehold and leasehold).

d) Whether the sale has been completed on the basis of a conditional or unconditional
contract.

e) Date of disposal.

f) Method of disposal.

g) Capital receipt proceeds from the disposal.

h) Whether the sales contract makes provision for overage and / or clawback.

i) Full copy of the sales contract.

2. The following information will be fully or partially exempted from publication:

a) Full copies of sales contracts would not be published due to the risk of compromising commercial information, data protection and intellectual property.

b) Information will be published confirming whether or not each sales contract makes provision for overage and / or clawback. Details of the provisions will not be published due to the concerns of 2 a) above.

c) All HS2 land bought by the Secretary of State for Transport and subsequently sold will be excluded from publication including land acquired:

1. Within the Line of Deviation of HS2;
2. Under Blight Notices;
3. By Compulsory Purchase
4. By agreement but under threat of compulsory purchase
5. Under schemes of compensation relating to HS2 including in the Voluntary Purchase Zone or by way of Exceptional Hardship Schemes (or similar schemes)
6. Under Safeguarding Areas

d) All past and future projects involving schemes for which compulsory powers for any sales within five years of operational use will be fully exempted. This would include HS3, Crossrail One, Crossrail Two and Road Schemes

e) All sales of land acquired under Critchel Down rules will be exempted.

f) Any land, including the Department for Transport Heritage Estate, which is sold for a negative or nil value.

3. Departmental reporting to Cabinet Office and the Department for Communities and Local Government on land and property disposals will be amended to capture the full range of information to be published.

In order to improve the transparency of all Government land and property disposals in the UK, Cabinet Office will publish details of the commercial terms listed in a) - h) of paragraph 1, subject to the provisions within paragraph 2 for disposals that have taken place over the previous year. The first report will be published on [www.gov.uk](http://www.gov.uk) from summer 2017. Full sales contracts will not be published.

# 3. Methodology

The list of commercial terms contained in case studies in the NAO report was used as a starting point for defining commercial terms for the purpose of this review. NAO were consulted in finalising the definition of commercial terms to be reviewed. For each land or property asset, these are:

* Location of land or property.
* Size of land area.
* Type of asset being disposed of (freehold, leasehold or licence).
* Whether the sale has been completed on the basis of a conditional or unconditional contract.
* Date of disposal.
* Method of disposal.
* Capital receipt proceeds from the disposal.
* Whether the sales contract makes provision for overage and / or clawback.
* Full copy of the sales contract.

A desktop study was undertaken using a sample of 14 recent freehold land and property disposals by a range of Government Departments. The study looked at what commercial terms information was publically available. Where information was available at cost from Land Registry, this is also listed in each case study. The results are at Appendix A. Research based on these case studies support the NAO conclusion that limited information on commercial terms is currently publically available.

# 4. Stakeholder Engagement

Cabinet Office and the Department for Communities and Local Government established a working group with membership from Government Departments and the Local Government Association (see Appendix B). Departments were invited to engage and nominate members to provide their input into the Housing and Planning Act 2016, as well as considering ways in which the Government can increase transparency of commercial terms in relation to surplus land and building disposals.

The working group met a number of times to discuss the ways in which the Government can increase the transparency of commercial terms of land and property disposals. In particular, it considered:

1. How information relating to land and property disposals is collected and reported internally by Departments.
2. What information is published, and publically available regarding these sales.
3. What information could be made publically available and should be exempted.
4. The most appropriate mechanism and frequency for publication.

Whilst commercial terms of disposals were generally not made public, most were already reported internally to Cabinet Office and the Department for Communities and Local Government on a quarterly basis. Departments agreed that most types of commercial terms data under review could be published to improve transparency.

They agreed to the full or partial exemptions set out in section 2.2 a-d above.

# Appendix A - Case Studies

**Case Study 1** - Lewes Magistrates Court, East Sussex BN7 2PG

|  |  |
| --- | --- |
| Government Department | HM Courts and Tribunals Service |
| Location of land or property | Lewes Magistrates Court, East Sussex |
| Size of land area | 0.14 hectares |
| Type of asset being disposed of (freehold or leasehold) | Freehold |
| Conditional or unconditional contract | No details available  |
| Date of Sale | 08/09/2015 |
| Method of Disposal (i.e. private treaty, informal/formal tender, etc) | No details available |
| Capital receipt proceeds from the disposal |  £1,500,000 |
| If Overage / Clawback Provisions included as part of the sale | No details available |

**Case Study 2** - Stoke-on-Trent Magistrates Court, Fenton, Stoke-on-Trent

|  |  |
| --- | --- |
| Government Department | HM Courts & Tribunals Service |
| Location of land or property | Stoke-on-Trent Magistrates Court, Fenton, Stoke-on-Trent |
| Size of land area | 0.27 hectares |
| Type of asset being disposed of (freehold or leasehold) | Freehold |
| Conditional or unconditional contract | No details available |
| Date of Sale | 27/04/2015 |
| Method of Disposal (i.e. private treaty, informal/formal tender, etc) | No details available |
| Capital receipt proceeds from the disposal | £200,000 |
| If Overage / Clawback Provisions included as part of the sale | No details available  |

**Case Study 3** - Land at Deerbolt, Barnard Castle, County Durham

|  |  |
| --- | --- |
| Government Department | National Offenders Management Service |
| Location of land or property | Land at Deerbolt, Barnard Castle, County Durham |
| Size of land area | 28.76 hectares |
| Type of asset being disposed of (freehold or leasehold) | No details available |
| Conditional or unconditional contract | No details available |
| Date of Sale | 19/12/2014 |
| Method of Disposal (i.e. private treaty, informal/formal tender, etc) | No details available |
| Capital receipt proceeds from the disposal | No details available |
| If Overage / Clawback Provisions included as part of the sale | No details available |

**Case Study 4** - Land at Ford Prison, West Sussex

|  |  |
| --- | --- |
| Government Department | National Offenders Management Service |
| Location of land or property | Land at Ford Prison, West Sussex |
| Size of land area | 34.94 hectares |
| Type of asset being disposed of (freehold or leasehold) | Freehold |
| Conditional or unconditional contract | No details available |
| Date of Sale | 21/08/2014 |
| Method of Disposal (i.e. private treaty, informal/formal tender, etc) | No details available  |
| Capital receipt proceeds from the disposal | No details available |
| If Overage / Clawback Provisions included as part of the sale | No details available |

**Case Study 5** - Quantock House, Paul Street, Taunton TA1 3PF

|  |  |
| --- | --- |
| Government Department | Department for Environment Food & Rural Affairs |
| Location of land or property | Quantock House, Paul Street, Taunton |
| Size of land area | 0.39 hectares |
| Type of asset being disposed of (freehold or leasehold) | Freehold |
| Conditional or unconditional contract | No details available |
| Date of Sale | 24/07/2015 |
| Method of Disposal (i.e. private treaty, informal/formal tender, etc) | No details available  |
| Capital receipt proceeds from the disposal | £997,000 |
| If Overage / Clawback Provisions included as part of the sale | No details available  |

**Case Study 6** - Government Buildings, Whittington Road, Worcester WR5 2LQ

|  |  |
| --- | --- |
| Government Department | Department for Environment Food & Rural Affairs |
| Location of land or property | Government Buildings, Whittington Road, Worcester |
| Size of land area | 7.54 hectares |
| Type of asset being disposed of (freehold or leasehold) | Freehold |
| Conditional or unconditional contract | No details available |
| Date of Sale | 22/03/2016 |
| Method of Disposal (i.e. private treaty, informal/formal tender, etc) | No details available  |
| Capital receipt proceeds from the disposal | £8,525,000 |
| If Overage / Clawback Provisions included as part of the sale | No details available |

**Case Study 7** - 1 Drayton Manor Drive, and land at Alcester Road, Stratford CV37  9RQ

|  |  |
| --- | --- |
| Government Department | Department for Environment Food and Rural Affairs |
| Location of land or property | 1 Drayton Manor Drive, Alcester Road, Stratford |
| Size of land area | 0.07 hectares |
| Type of asset being disposed of (freehold or leasehold) | Freehold |
| Conditional or unconditional contract | No details available |
| Date of Sale | 25/07/2016 |
| Method of Disposal (i.e. private treaty, informal/formal tender, etc) | No details available |
| Capital receipt proceeds from the disposal | No details available |
| If Overage / Clawback Provisions included as part of the sale | No details available |

**Case Study 8** -Land at Bob Dunn Way, Dartford, Kent

|  |  |
| --- | --- |
| Government Department | Department of Health |
| Location of land or property | Land at Bob Dunn Way, Dartford, Kent |
| Size of land area | 0.37 hectares |
| Type of asset being disposed of (freehold or leasehold) | No details available |
| Conditional or unconditional contract | No details available |
| Date of Sale | 11/11/2015 |
| Method of Disposal (i.e. private treaty, informal/formal tender, etc) | No details available |
| Capital receipt proceeds from the disposal | No details available |
| If Overage / Clawback Provisions included as part of the sale | No details available |

**Case Study 9** - Land at Salisbury Plain Training Area (Ablington Farm) SP3 8JK

|  |  |
| --- | --- |
| Government Department | Ministry of Defence |
| Location of land or property | Land at Salisbury Plain Training Area |
| Size of land area | 5.67 hectares |
| Type of asset being disposed of (freehold or leasehold) | No details available |
| Conditional or unconditional contract | No details available |
| Date of Sale | 05/06/2015 |
| Method of Disposal (i.e. private treaty, informal/formal tender, etc) | No details available |
| Capital receipt proceeds from the disposal | No details available |
| If Overage / Clawback Provisions included as part of the sale | No details available |

**Case Study 10** - Storage Depot, Land at RAF Mildenhall, West Sussex

|  |  |
| --- | --- |
| Government Department | Ministry of Defence |
| Location of land or property | Storage Depot, Land at RAF Mildenhall, West Sussex |
| Size of land area | 17.35 hectares |
| Type of asset being disposed of (freehold or leasehold) | No details available |
| Conditional or unconditional contract | No details available |
| Date of Sale | 10/06/2015 |
| Method of Disposal (i.e. private treaty, informal/formal tender, etc) | Informal Tender |
| Capital receipt proceeds from the disposal | No details available |
| If Overage / Clawback Provisions included as part of the sale | No details available |

**Case Study 11** – 21 - 23 Bond Street, Dewsbury, Leeds WF13 1AX

|  |  |
| --- | --- |
| Government Department | Arts Council England |
| Location of land or property | 21-23 Bond Street, Dewsbury, Leeds |
| Size of land area | No details available |
| Type of asset being disposed of (freehold or leasehold) | Freehold |
| Conditional or unconditional contract | No details available |
| Date of Sale | 30/04/2015 |
| Method of Disposal (i.e. private treaty, informal/formal tender, etc) | No details available |
| Capital receipt proceeds from the disposal | £500,000 (No 21), and £495,000 (No 23) |
| If Overage / Clawback Provisions included as part of the sale | No details available |

**Case Study 12** - Old Post Office, No.25 Exhibition Road, London SW7 2DA

|  |  |
| --- | --- |
| Government Department | National Museum of Science and Industry |
| Location | Old Post Office, No.25 Exhibition Road, London |
| Size of land area | No details available |
| Type of asset being disposed of (freehold or leasehold) | Freehold, although part subject to long leasehold  |
| Conditional or unconditional contract | No details available |
| Date of Sale | 24/04/2015 |
| Method of Disposal (i.e. private treaty, informal/formal tender, etc) | No details available |
| Capital receipt proceeds from the disposal | £27,545,998 |
| If Overage / Clawback Provisions included as part of the sale | No details available |

**Case Study 13** - Berkeley Centre, Berkeley, Gloucester

|  |  |
| --- | --- |
| Government Department | Nuclear De-commissioning Authority |
| Location of land or property | Berkeley Centre, Berkeley, Gloucester |
| Size of land area | 14.24 hectares |
| Type of asset being disposed of (freehold or leasehold) | No details available |
| Conditional or unconditional contract | No details available |
| Date of Sale | 14/08/2015 |
| Method of Disposal (i.e. private treaty, informal/formal tender, etc) | No details available |
| Capital receipt proceeds from the disposal | No details available |
| If Overage / Clawback Provisions included as part of the sale | No details available |

**Case Study 14** - Laurel Cottage, Dovenby, Cockermouth, Cumbria

|  |  |
| --- | --- |
| Government Department | Nuclear Decommissioning Authority |
| Location of land or property | Laurel Cottage, Dovenby, Cockermouth, Cumbria |
| Size of land area | No details available |
| Type of asset being disposed of (freehold or leasehold) |  Freehold |
| Conditional or unconditional contract | No details available |
| Date of Sale | 29/07/2015 |
| Method of Disposal (i.e. private treaty, informal/formal tender, etc) | No details available |
| Capital receipt proceeds from the disposal | £330,000 |
| If Overage / Clawback Provisions included as part of the sale | No details available |

# Appendix B List of Stakeholders

The following stakeholders were consulted:

Cabinet Office

Crown Prosecution Service

Department for Communities and Local Government

Department for Transport

Department of Health

Department of Work and Pensions

Home Office

Land Registry

Local Government Association

Ministry of Defence

Ministry of Justice

National Audit Office

Valuation Office Agency

1. Government Property Finder: <https://www.gov.uk/find-government-property> [↑](#footnote-ref-1)