ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	04 October 2012
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Small Sales Procedures
REPORT NUMBER:	EPI/12/194
TITLE OF REPORT	Small Sales Procedures

1. PURPOSE OF REPORT

This Report advises members of proposals for the updating of the Council's Sale of Areas of Amenity Ground policy.

2. RECOMMENDATIONS

It is recommended that the Committee:-

- (a) agree to update the Council's current Sale of Amenity Ground strategy, as outlined in Appendix 1.
- (b) agree to the revised fee charges proposed within this Report.
- (c) authorise the Head of Asset Management and Operations to undertake regular reviews of the charges and permits any future increase in charges, as required.

3. FINANCIAL IMPLICATIONS

The Council currently charges a fixed fee of £75 plus VAT to all parties seeking to establish if the Council is prepared to dispose of an area of ground. The proposals will increase the level of income generated from these requests to a level which is closer to covering the cost of the time spent on the requests by officials.

This Report has no implications for approved PBB options.

4. OTHER IMPLICATIONS

The only other implication in relation to the proposals is:-

• The increased cost of the application process may result in the reduction in the number of requests.

5. BACKGROUND/MAIN ISSUES

The City Council at its Property Sub-Committee on 2 December 1998 approved a report entitled Proposed Policy on Sale of Amenity Ground which detailed the policy to be adopted for the consideration of applications for the sale of amenity ground. At the Resources Management Committee on 1 March 2000 a policy was approved which levied a cost for undertaking a range of property services including the dealing with requests to purchase amenity ground. The charges were further amended to their current level on 1 December 2004.

The Council currently deals with approximately 25 requests from citizens to acquire areas of ground adjacent to their properties per year. These requests are dealt with under the current policy. However, with changes to the number of Councillors per ward and the passage of time, it was felt appropriate that the policy should be reviewed and amended as necessary. Attached in Appendix 1 is the proposed new amenity strategy which takes into account changes to the Council structure and adds additional criteria which must be met before a sale of amenity ground would be considered.

As is evidenced by the process contained in Appendix 2, a considerable amount of officers time is spent in dealing with each request. On average 20% of requests progress to a sale and in general the level of receipt generated by a sale is very low. Therefore it is appropriate for the Council to charge for this service in the form of an administration fee which is currently £75 plus VAT. Taking account of the cost of dealing with each request it is now appropriate for this charge to be reviewed to a level which more reflects the cost to the Council for undertaking the work required to respond to each enquiry. Taking account of this work it is proposed that that administrative charge be increased to £150 plus VAT.

In addition to dealing with requests from individuals, the Council is also approached by companies seeking to acquire ground adjacent to their properties. These requests are dealt in the same way as outlined above and it is proposed that the charge would be the same. The Council also receives requests for wayleaves and servitudes and it is proposed that the administration charge for dealing with these requests should be increased to £175 plus VAT.

6. IMPACT

Corporate – The proposed changes to the policy will insure that the Council is charging an appropriate administration charge which reflects the level of work which is required for each enquiry received.

Public – The Report will be of interest to the Public due to the increase in the charges.

It is not considered that an Equality and Human Rights Impact Assessment is required.

7. BACKGROUND PAPERS

None.

8. REPORT AUTHOR DETAILS

Neil Strachan Team Leader Estates [^]⊕ <u>nstrachan@aberdeencity.gov.uk</u> ☎ 01224 52(3062)