



LAND LICENCE POLICY

(Revised Policy – Approved By Board – 24 November 2009)

Southway Housing Trust

Land Licence Policy

1. Introduction

- 1.1 Southway Housing Trust owns mostly older type properties on traditionally laid out estates. Gardens tend to be large and often of irregular shape.
- 1.2 Within the management area there is a range of unused land usually small in size, sometimes with limited access and often landlocked. These sites present an ongoing challenge to keep clear of overgrown vegetations and fly tipping. Grounds maintenance to these sites, especially the larger ones, can be costly. The sites are also often the subject of customer complaints.
- 1.3 From time to time Southway receives requests from tenants, leaseholders, owner-occupier and community groups to rent or purchase such land. The following sets out the policy framework when responding to requests.

2. Policy Objectives

- 2.1 The objectives of the policy are;
 - to make best use of land, of whatever size, within the Southway management area
 - to whenever possible respond positively to requests to rent or purchase land
 - to properly consider requests and ensure that decisions do not compromise the Trust's ability to develop land for its own purposes in the future
 - to ensure that requests are not agreed to when the intended usage of the land will potentially give rise to complaints or is not in the best interests of the wider community.

Links to Tenancy Services Authority (formerly Housing Corporation) Regulatory Criteria (2004) and Regulatory Code:

Properly Governed: 2.3.2, 2.3.4, 2.4.1, 2.4.2
Properly Managed: 3.5.3, 3.5.4, 3.5.6,

Responding to Rental or Purchase Requests

3.1 A guiding principle of the policy is that in most instances the Trust's preference will be to enter into short-term but renewable licence agreements.

3.2 Southway will only consider rental or purchase requests that meet the following criteria:-

- From someone who has an interest in adjacent land
- From a public authority or utility company
- From an individual or group who wish to use the land in a way that benefits the wider community

3.3 At its meeting of 20 May 2008, Board delegated powers for certain officers to use the Company Seal in specific circumstances. These included transactions with the value of less than £200,000. Consequently, any land purchase requests over this amount would be referred to Board for specific approval.

3.4 Someone wishing to rent or purchase a piece of Southway land would be required to submit an application form giving the following information;

- Name, address and contact details
- The exact location of the land they are interested in
- The length of time they wish to use the land for (if rental)
- The purpose they wish to put the land to

On the basis of this information Southway staff would conduct an options appraisal.

3. The Options Appraisal

4.1 On receiving a completed application Southway staff will;

- check and confirm Southway's ownership of the land and the precise location and dimensions
- check whether the land has any current or future development potential (if yes then the application would be rejected for anything other than short term rental)
- consider the implications of the intended use of the land (for example that no noise or nuisance or restricted access will result) and any proposed alterations (fencing, etc.)

If these checks raise no issues of concern, then staff would check the applicant's personal details to confirm suitability.

- 4.2 If the person making the request is a tenant then checks should be made to ensure; there are no rent arrears, no problems with anti-social behaviour or other breaches of the Conditions of Tenancy and that a correctly signed Southway Tenancy Agreement has been received by the Trust.
- 4.3 If the person making the request is a Southway leaseholder then checks would be made to ensure there were no arrears of ground rent or service charges and no reported anti-social behaviour or other breaches of the lease.
- 4.4 Similarly in the case of requests from owner occupiers checks would be made to confirm that there were no reports of anti-social behaviour.
- 4.5 In all cases applicants would need to demonstrate that existing land within their care was being maintained to a satisfactory standard.
- 4.6 Southway would then consult with residents adjoining the land on which the rental or purchase request has been made to ensure there are no valid concerns or objections.
- 4.7 Having completed the option appraisal staff would write to the applicant to confirm Southway's response to the request.

5. Calculation of Licence Charge

- 5.1 Land licence fees should properly take account of;
 - a) the character of the land – whether it is level or sloping and whether it is accessible or inaccessible
 - b) the condition of the land – whether it has been maintained regularly or requires the user to undertake maintenance before the land can be used
 - c) what purpose the user intends the land for
- 5.2 In the absence of a nationally recognised charging formula, charges will be based on the size of the land and will use the scale set by Manchester City Council's Valuation Department;
 - Land up to 100m² - £80 per annum
 - Land between 100m² and 150m² - £100 per annum
 - Land in excess of 150m² - on the basis of a formal valuation
- 5.3 When the intended purpose of the land is to support a community initiative, or will significantly reduce maintenance costs to the Trust, then Southway would consider offering one of the following licence fees;
 - Concessionary Licence Fee – set initially at £0.22 per M2 per annum

- Peppercorn Licence Fee – set at £25 per annum

5.4 All licence fees other than Peppercorn Licence Fees would increase annually in line with the prevailing inflation rate.

6. Southway Land Licence Agreement

6.1 Appendix A of the policy provides the Land Licence Agreement Southway will use when requests to use land have been approved.

6.2 The Licence Agreement is for a fixed term of one year from the date of signing and, subject to the agreement of both parties, would be renewed each year until such time as either party indicated they did not wish to continue the agreement.

7. The Sale of Land

7.1 When considering the sale of land Southway will establish whether the land transferred with the former Council stock or has been purchased after transfer.

7.2 Formal consent (Section 133 – Housing Act 1988) for the sale of land is not always required as there is a general consent and if the sale fits the criteria there is no need for formal consent.

7.3 The criteria can be summarised as follows;

- The value of the land does not exceed £120,000 (evidence of value from independent valuer to be obtained)
- The disposal is not part of a larger transaction except where the value of interest disposed of does not exceed £5,000
- There is no dwelling house built on the land (a yard or garden area is not a problem)
- The consideration is the best that can be reasonably obtained for the interest disposed of (which may be of nil consideration)
- Where the value exceeds £5,000 an independent value has provided a valuation stating that the consideration is the best price that could reasonably be obtained. This valuation should not be more than three months old.
- The seller is not a landlord of any tenancy affecting the land other than a tenancy where the tenant is the person to whom the disposal is made.

- 7.4 Note that in all instances the value of the land will be determined by an independent valuation.
- 7.5 If the conditions in 7.3 are met then land can be sold without obtaining formal consent under Section 133.
- 7.6 Before any sale of land proceeds Southway will consult with any party with a charge on the land.
- 7.7 The information given on the sale of land is a summary and should be read in conjunction with other related policies.

8 Linkages with Other Southway Policies

- 8.1 This policy has linkages with the following policy/policies;
 - Acquisitions and Disposals Policy.
 - Asset Management Strategy.

POLICY IMPLEMENTATION AND REVIEW HISTORY	
Date approved by Board: 24/ 03/09	Date Implemented: 31/03/09
Projected Date of Review: August 2011	
Review Date	24/11/2009
<u>Amendment(s) Made/Reasons</u>	
Amendments concerned the introduction of a Peppercorn Fee for land usage proposals which benefit the wider community and a section dealing with the sale of land,	
Date Approved by Board 24/11/09	Date Implemented 30/11/09