

Factsheet: Disposal of surplus land and properties

The Ministry of Defence (MOD) continually examines ways of improving military capability and value for money for the taxpayer.

As part of this approach the Department keeps the size and location of its bases under constant review and is committed to ensuring that the Defence estate is no larger than necessary to meet operational needs.

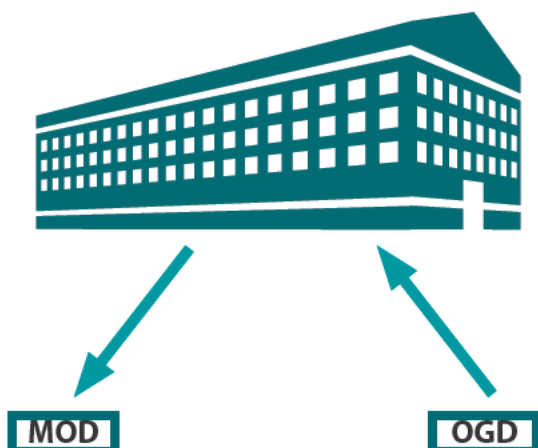
Where land, property or bases are determined to be surplus to Defence requirements, they will be usually sold on the open market. This is called 'disposal'.



The Defence estate is run by the Defence Infrastructure Organisation (DIO), which arranges the disposals.

What about return for the taxpayer?

In accordance with Treasury guidelines (Managing Public Money) any surplus land and property is first be offered to other Government departments (OGDs) and public bodies for alternate use.



Otherwise, providing there are no former owner considerations under the 'Crichel Down' rules (see below), it is usual MOD policy to sell through open competition to achieve the best price or market value for the taxpayer.



Normally DIO instructs agents to act on its behalf when selling land and property but occasionally DIO sells sites directly.

Sites suitable for redevelopment are generally sold with the benefit of planning permission or with clawback or overage provisions (which means that if the land increases in value after sale, DIO would be entitled to a portion of the increase) in order to optimise receipts for the benefit of the taxpayer.

What are Crichel Down rules?

Some Government land was originally acquired by compulsion or under the threat of compulsion.

If this land is later determined to be surplus, the Crichel Down Rules provide non-statutory arrangements under which, in certain circumstances, the land is offered back to former owners or their heritable successors in title at market value.



The Rules were established many years ago and must be considered by the MOD for all of its surplus sites.