

PART 8 – OTHER RULES OF PROCEDURE

D – PROPERTY PROCEDURE RULES

PROPERTY PROCEDURE RULES

The purpose of these rules is to set out the levels of authority and procedure for managing property.

1. Council

Where no specific budgetary provision has been made to authorise any expenditure relating to property, including:-

1. The acquisition of property
2. The taking of leases / licences
3. Repairs to Council Property (including where the Council is tenant)

FOR THE AVOIDANCE OF DOUBT this does not apply to any property obligation imposed by statute.

2. Cabinet Authority

Note: all sums exclude VAT. All sums are the monies actually paid or received. If no money is paid or received then the sum is the cash equivalent based upon the transaction being on market value terms.

A. Council as Seller / owner / landlord of Council Property:

- A1. To grant Occupational leases on Council Property where the term exceeds 25 years or the total rent received over the term exceeds £500,000.00
- A2. To grant Ground leases on Council Property where the term exceeds 125 years or where the total rent exceeds £500,000.00 or the capital premium received is greater than £100,000.00
- A3. To sell or grant any rights over Council Property where the total capital premium received exceeds £100,000
- A4. To enter into any agreement with any third party (including tenant under a lease) where a payment or obligation is incurred by the Council which is in excess of £50,000

B. Council as Purchaser / tenant of third party property:

- B1. To enter into, agree terms or authorise the Council to enter into any agreements where the term commitment exceeds 25 years or the total payments of money (whether as compensation or a capital payment or over the term of years or benefit in kind) exceeds £100,000.

3. Director and Property (Asset Management)

Subject to the items reserved specifically to Council or Cabinet and the procedure rules detailed below the Executive Director of Place has authority (together with officers authorised by such Director) to effect the day-to-day management of the Council's Property (including property it occupies as tenant / licensee).

Such authority includes, in consultation with other officers of the Council as necessary, agreeing the use, disposal, acquisition or renewal of any interest in land or property

(including the taking of leases / licences or other interest) within the Council's budgetary framework and to enter into all ancillary documentation in respect of such properties and to take any necessary action in respect of ongoing agreements including strategic decisions for the improved use of return of Council Property such as submitting planning applications which is in accordance with approved Council strategies.

Specific property procedure rules:-

1. In respect of the Council's commercial property tenants and requests for rent reductions:-

- All tenants would have to demonstrate comprehensively via the provision of audited accounts and certified statements from their financial consultants/ banks that a rent reduction was essential to their survival
- A formal business plan would have to be provided to satisfy the Council that the company clearly had a future
- Any reductions would be on a 6/12 month reviewable basis
- Each case and the level of reduction would be decided on its individual merits, in consultation with the Head of Finance and the Cabinet Member with responsibility for Property
- Total confidentiality being maintained subject to statutory requirements e.g. Freedom of Information Act 2000

2. To consult the Cabinet Member with responsibility for property:-

- for the grant of leases of Council Property where the term exceeds 10 years or the total rent received over the term exceeds £100,000.00; or
- the total capital premium received exceeds £25,000; or
- in any agreement with any third party (including tenant under a lease) where a payment or obligation is incurred by the Council which is in excess of £25,000; or
- any agreement where the Council is tenant or purchaser or a landowner or makes payment to a third party and the term of agreement exceeds 10 years or the total payments of money to a third party (whether as compensation or a capital payment or rent over the term of years) exceeds £25,000.