

COUNCIL

Amendment to Land and Property Protocols

Portfolio Holder: Councillor A Jabbar, Cabinet Member for Finance and Human Resources

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Reason for Decision

To seek approval to amend the Land and Property Protocols in order to improve the Council's decision making process.

Recommendations

It is recommended that the Land and Property Protocols are amended as detailed within the report.

Amendment to Land and Property Protocols

1 Background

- 1.1 The Land and Property Protocols form part of the Council's Constitution, providing a strategic governance framework within which land and property transactions are undertaken and the corporate portfolio is managed in a consistent, transparent and appropriate manner.
- 1.2 The Protocols have been regularly reviewed, and at annual Council meeting in May 2014, reflecting an aspiration for greater direct Political accountability in decision making, a number of amendments were made regarding land and property transactions, in particular disposals.
- 1.3 An amendment was made to the levels of delegation relating to proposed disposals at less than best consideration, previously in cases where the value of the 'under value' was less than £100k, the decision was delegated to officers, transactions involving a higher value being reported to Cabinet. However, the amendment imposed instead a requirement to report to Cabinet any transactions where the value of the 'under value' was greater than 20% of the full market value of the asset.

2 Current Position

- 2.1 Subsequently, implementation of this particular amendment has highlighted several situations where transactions of a very low value are, by strict interpretation of the wording, now falling within Cabinet's remit. Clearly this does not create an efficient decision making process.

For example,

1. An Over 60's club currently occupy premises by virtue of an agreement dated 14th November 1985, which continues until either party serves 6 months notice on the other to terminate the arrangement. Neither party has served notice and therefore the club's occupation continues under the terms of the 1985 agreement. The club pays an annual fee of £1.00 per annum to the Council under the terms of the current agreement.
2. The existing agreement does not guarantee the club's right to use the premises beyond the 6 month notice term and this is insufficient to enable them to seek grant funding or to plan for their future other than in the short term. It is proposed to grant a lease to the club for a 30 year term at a rent of £1.00 per annum. The market rent is assessed at £3000.00 per annum. The discount to £1.00 per annum is to be offered in lieu of services provided by the club of Community benefit to "older" persons in the community in line with the aims

and objectives of an over 60's club. The discount would cease if the use were to change.

3. The under value is £2999.00 per annum or capitalised under value of £24,000. The proposal to grant a lease formally secures the clubs position and enables them to pursue grants and is line with the Councils Co-operative ethos whilst the lease terms ensure the Council retains some control over the use of the property.
4. Under current Protocols the decision to grant a lease would be a Cabinet decision as the reduction below market rental is greater than 80%.

2.2 Therefore it is proposed that a further amendment is made to the Protocols, so that, when considering a proposal to dispose of an asset at less than best consideration, where the value of the 'under value' at up to 20% of the full market value of the asset is £50k or less, authority is delegated

2.3 The current wording in cases of disposal at less than best consideration is that the decision is taken:

- Where the undervalue is below 80%, by the Corporate Property Officer or the Director of Development and Infrastructure in the case of strategic regeneration projects, subject to consultation with the Executive Director Commercial Services or Chief Executive respectively.
- Where the undervalue is greater than 80% or above, by Cabinet,

It is proposed to change to:

- Where the undervalue is below 80% by the Corporate Property Officer or the Director of Development and Infrastructure in the case of strategic regeneration projects, subject to consultation with the Executive Director Commercial Services or Chief Executive respectively.
- Where the undervalue is greater than 80% or above, by Cabinet, unless this is £50k or less, in which case it will be delegated to the Cabinet Member for Finance and Human Resources, in consultation with the Corporate Property Officer for the corporate estate or the Leader, in consultation with the Director of Development and Infrastructure, for strategic regeneration projects.

3 Options/Alternatives

3.1 Council could opt not to amend the Protocols.

4 Preferred Option

4.1 The preferred option is to amend the Protocols as identified above in order to improve efficiency in the decision making process without compromising Council's original intent.

5 Consultation

5.1 Group Leaders have been consulted.

6 **Financial Implications**

6.1 There are no specific financial implications of this report amending the protocol, however each individual land and property case must be subject to a formal EDRS report and follow the agreed procedures, then and only then can specific financial implications can be explored.

(Mike Ward)

7 **Legal Services Comments**

7.1 The Council has the legal power to make this decision. (Rebecca Coldicott)

8. **Co-operative Agenda**

8.1 More efficient decision making supports most effective use of Council resources.

9 **Human Resources Comments**

9.1 N/A

10 **Risk Assessments**

10.1 N/A

11 **IT Implications**

11.1 None

12 **Property Implications**

12.1 The proposals will improve efficiency in the decision making process. (Cath Conroy)

13 **Procurement Implications**

13.1 N/A

14 **Environmental and Health & Safety Implications**

14.1 N/A

15 **Equality, community cohesion and crime implications**

15.1 None

16 **Equality Impact Assessment Completed?**

16.1 No

17 **Key Decision**

17.1 No

18 **Key Decision Reference**

18.1 N/A

19 **Background Papers**

19.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act :

File Ref : Council minutes meeting May 2014.

Name of File : N/A

Records held in: Constitutional Services Department, Civic Centre

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