

APPENDIX (2)

Creating a Better Place

Proposed Revisions to the Land and Property Protocols

Portfolio Holder:

Cllr S Fielding (Leader) - Cabinet Member for Economy and Enterprise

Senior Responsible Officer:

Helen Lockwood, Deputy Chief Executive – People and Place

Contact Officer:

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Report Author:

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'**Creating a Better Place**' incorporates significant programmes of work that have been progressed over the past eighteen months in order to set out a comprehensive vision and strategic framework for the borough. These include the:

- Updated vision for Oldham Town Centre;
- Housing Strategy 2019; and
- Updated Medium Term Property Strategy

Creating a Better Place focuses on building more homes for our residents, creating new jobs through town centre regeneration, and ensuring Oldham is a great place to visit with lots of family friendly and accessible places to go.

Reason for Decision

Following twelve months of analysis and legal reviews into process and risk management it is timely to update the Land and Property protocols within the Council's constitution to bring them in line with best practice.

Following approval of the Council's new approach to land and property management and investment, **Creating a Better Place**, and the revised Commercial Property Investment Strategy at Cabinet on 16 December 2019, this report outlines amendments to the Council's Land and Property Protocols.

The proposed amendments seek to:

- Acknowledge the role of the Corporate Property Board (CPB) and the additional delegated authorities conferred on officers in order to progress land and property disposals and the acquisition of new investments for the purposes of generating a sustainable future income to support the Council's mainstream service delivery;
- Provide clarity and guidance to Officers in respect of other matters office accommodation / proposed relocations, public open space and marketing methods together with a tender procedure.
- Re-enforce that all decisions taken will be informed by ward member views and concerns.

Recommendations

It is recommended that the proposed amendments outlined within the revised Land and Property Protocols are approved for consideration by full Council as a revision to part of the Council's Constitution.

Creating a Better Place - Proposed Revisions to the Land and Property Protocols**1 Background**

- 1.1 Within the Council's Constitution, the Land and Property Protocols provide guidance to Officers in respect of a range of property related matters including inter alia general management principles, the disposal of assets at best consideration as well as at an "undervalue" together with a scheme of delegation for Senior Officers to approve transactions within a variety of thresholds based on capital and rental values.
- 1.2 The Land and Property Protocols have been subject to review over the last twelve months to align with market conditions and the Council's current policies and strategies.
- 1.3 To assist Officers in driving the Medium-Term Property Strategy (MTPS) forward and delivering the targeted revenue savings sought over the life of the programme i.e. 2020-2025, it is proposed to amend the Council's Land and Property Protocols thereby streamlining the Council's governance and decision-making processes.
- 1.4 A copy of the revised Land and Property Protocols is attached at Appendix 1. The proposed main changes are highlighted below, and these are reported in the order they appear within the Protocol.

2 Corporate Property Board

- 2.1 As recommended within the report to Cabinet (16 December 2019), the revised Land and Property Protocols now reflect the role of the Corporate Property Board (CPB), replacing the Property Appraisal Group, with delegated authorities conferred on officers to progress the acquisition of investment assets as part of the Council's Commercial Property Investment Strategy thereby assisting in the delivery of the MTPS.
- 2.2 It is further proposed for the purposes of consistency and oversight that all acquisitions irrespective of capital value are referred to CPB for approval, and that the protocols are amended to reflect the approvals from Cabinet.
- 2.3 To ensure that good investments are not lost through delays in the decision-making process, it is recommended Cabinet remains the decision-making body, following recommendations from the Corporate Property Board (CPB).
- 2.4 The Board will comprise Directors of Finance, Legal and Economy, Deputy Chief Executive and Portfolio Holders for Finance and Corporate Services and the Leader of the Council. A quorum of at least 3 members of the Board will be required to conduct business, including finance, economy and Member representation.

- 2.5 The Director of Economy, in consultation with the Director of Legal Services, will have delegated authority to complete property purchases of up to £10m subject to the prior recommendations of CPB, after which authority will revert back to Cabinet, unless there is a need to make an emergency decision whereby the emergency decision clause in the Land and Property Protocol will apply.
- 2.6 The Director of Finance, in consultation with the Director of Legal Services, will have delegated authority to complete alternative investments of up to £25m subject to the prior recommendations of CPB, after which authority will revert back to Cabinet, unless there is a need to make an emergency decision whereby Treasury Management Protocols will apply.
- 2.7 Assets, Accommodation and Investment (AAI) Group will replace the Property Rationalisation Group to review and report on performance and risks to the work programme. This needs to include external stakeholders such as CCG / OPE and key internal functions such as the corporate estate, finance, legal and Unity partnership in order to act as one integrated team at Head of Service level.
- 2.8 Cabinet shall approve all acquisitions in excess of £10m unless there is a need to make an emergency decision in which case the emergency provisions within this Protocol will take effect.
- 2.9 The Directors of Finance and Economy also have delegated authority to secure additional specialist external advisors as considered appropriate when funded from existing budget allocations.

3 Office Moves

- 3.1 As part of its' Medium-Term Property Strategy (2018-2022), the Council needs to use its' office accommodation in a much more efficient and cost-effective manner than it is currently in order to contribute to the revenue savings target highlighted within the plan.
- 3.2 As part of the effort to achieve delivery of the target savings, it is imperative that Corporate Landlord has full control and oversight in coordinating and monitoring office moves across the Council's portfolio.

All Service Managers are to adhere to the Land and Property Protocols and note that all requests for accommodation or office moves within the portfolio need to be referred to Corporate Landlord for written approval prior to any moves taking place.

- 3.3 Any such request should include a business case including an explanation of the rationale for the proposed move as well as confirmation of budget resource to fund any moves.
- 3.4 These should be directed in the first instance to the Head of Strategic Assets & Facilities Management for subsequent approval by either the Director of Economy or the Deputy Chief Executive People and Place.

- 3.5 The Director of Economy will be responsible for all office accommodation including relocations in accordance with the Council's Office Accommodation Strategy as part of the wider Corporate Landlord function. It is imperative that ICT, Communications are fully engaged and involved the process to assist with planning / resource allocations.
- 3.6 It should be noted that due to the significant long-term investment involved, express written approval from the Director of Economy is required before considering the installation of IT Hubs in Council property.
- 3.7 The proposed amendment to the protocols will provide improved guidance to officers.

4 Protocol on Disposal of Open Space

- 4.1 The Land and Property Protocol now includes a Public Open Space Assessment Matrix to assist Officers whether land subject to a proposed sale could be deemed as "open space" as defined within Section 336(1) of the Town and Country Planning Act 1990.

5 Disposals Protocol / Method of Sale

- 5.1 By way of additional guidance for Officers and Members, the Land and Property Protocol also includes a summary of the various marketing methods together with a Tender Procedure and how to deal with Late Bids.

6 Options/Alternatives

- 6.1 Option 1 – To approve the proposed amendments to the Land and Property Protocols to assist in delivering the MTPS.
- 6.2 Option 2 – To retain the existing Land and Property Protocols and accept the consequential risk associated with the delivery of the MTPS.

7 Preferred Option

- 7.1 To approve Option 1 and amend to the Land and Property Protocols as indicated within Appendix 1.

8 Consultation

- 8.1 Consultation has taken place with colleagues across the Council, but especially with Legal Services, Corporate Governance, and Finance.

9 Financial Implications

- 9.1 There are no direct financial implications arising from this report with the amendments to the protocols, however as stated each individual land and property transaction must be subject to the decision-making process and follow the levels of delegation. As each case will be different the specific financial implications will be discussed in each separate report.

Officers should work with Finance when carrying out any acquisition to understand the current and future capital and revenue requirements for the Council, where the funding will be sourced and impacts to the Medium Term Financial Strategy (MTFS).

(James Postle)

10 Legal Services Comments

- 10.1 Legal Services have reviewed and commented on the amended text of the Protocol.
(Rebecca Boyle)

11 Co-operative Agenda

- 11.1 There are no direct implications in terms of the Council's Co-operative Agenda as a result of the proposed revisions to the Land and Property Protocols.

12 Human Resources Comments

- 12.1 Not applicable.

13 Risk Assessments

- 13.1 In order to demonstrate both value for money and appropriate probity, it is important that the Council has up-to-date, workable, Land and Property Protocols.

(Mark Stenson)

14 IT Implications

- 14.1 Not applicable.

15 Property Implications

- 15.1 The property implications are fully covered within this report.

(Peter Wood)

16 Procurement Implications

- 16.1 Not applicable.

17 Environmental and Health & Safety Implications

17.1 There are no direct implications as a result of the proposed revisions to the Land and Property Protocols.

18 Equality, community cohesion and crime implications

18.1 Not applicable.

19 Equality Impact Assessment Completed?

19.1 Not applicable.

20 Key Decision

20.1 No.

21 Key Decision Reference

21.1 Not applicable.

22 Background Papers

22.1 Not applicable.

23 Appendices

2a - Land and Property Protocols (clean version for ease of reading).

2b - Land and Property Protocols (with tracked changes).

2c - Change reference table