

**THE ACQUISITION AND
DISPOSAL OF LAND AND BUILDINGS PROCEDURE RULES**

1. Definitions

In these Procedures Rules:

- (a) “Appropriate Director” means the Chief Executive or the Corporate Director or the Assistant Director (as the case may be) to which the Acquisition or Disposal relates.
- (b) “Land and Buildings” means land and/or buildings and rights over land.
- (c) “Disposal” means the transfer to a third party of an interest in land and/or buildings no longer required by the Council.
- (d) “Acquisition” means the acquisition of an interest in land and/or buildings where the acquiring party is the Council even where the Council is not funding the Acquisition.
- (e) “Unavoidable Expenditure” means the revenue expenditure in any lease on rent, rates and service charge throughout the period of the lease anticipating that the Council will exercise any option to maintain the lease throughout the contractual term and/or options are exercised to extend the contractual term.
- (f) “The Relevant Decision Making Body” means the Cabinet, Cabinet Member or officer responsible for the management of property.
- (g) “The Valuation” means the valuation prepared in accordance with paragraph 3 below.
- (h) “Valuer” means the officer nominated by the Assistant Director designated by the S151 Officer, or the District Valuer appointed by the Assistant Director designated by the S151 Officer or any other person of suitable experience and professional qualifications appointed by the Assistant Director designated by the S151 Officer.

2. Application

- 2.1 These Rules apply to the Acquisition and Disposal of all Land and Buildings including Acquisitions of Land and Buildings pursuant to Section 106 Planning Agreements.

2.2 The agreement in writing of the Valuer to the terms of all Acquisitions and Disposals is required prior to authorisation being sought on terms proposed to or agreed with third parties.

3 Valuation

- (a) The Appropriate Director shall ensure that there is a valuation for each Acquisition and Disposal of Land and Buildings
- (b) The valuation shall relate to the whole of the Council's interest in the Land and Buildings, and in addition, where the Relevant Decision Making Body has resolved to dispose of less than the whole of that interest, shall also relate to that part of the whole interest, which is to be disposed of.

4 Acquisitions

- (a) The cost of freehold Acquisition of Land and Buildings will relate to the capital sum paid by the Council to third parties whether or not this is funded by the Council.
- (b) The cost of the leasehold Acquisition of Land and Buildings includes any premium paid or received and the total of all other Unavoidable Expenditure over the lifetime of the lease together with the cost of fitting out the accommodation for the Council's use whether or not funded by the Council.

5 Disposals

- (a) The value attributable to a freehold Disposal of Land and Buildings will relate to the valuation carried out by the Valuer of the whole of the Council's interest in the Land and Buildings to be disposed of irrespective of the consideration to be obtained on disposal.
- (b) The savings occasioned by the leasehold Disposal of Land and Buildings include the savings of Unavoidable Expenditure by the Council. The cost of premiums, dilapidations and reinstatement obligations paid to third parties are also to be included.

6 Consultation

The Valuer will satisfy him/herself that consultation with the Ward member(s) and Parish and Town Council(s) has taken place before the disposal of Land and Buildings in their area, together with consultation with the appropriate Cabinet Portfolio holder, as defined in the Executive Scheme of Delegation.

7. *Appropriate Director and Financial Procedure Rules*

Acquisitions of Land and Buildings to which these rules apply shall be made in accordance with the requirements of Financial Procedure Rules contained in Part 4 of the Constitution.

8. *Method of Marketing*

- (a) The method of marketing shall be determined by the Valuer.
- (b) Normally disposals will be advertised in an appropriate publication as determined by the Valuer except disposals where the Valuer considers that such an advertisement is unnecessary and for disposals with a value of less than £50,000.
- (c) If the Valuer considers the advertisement unnecessary the reasons for that decision will be set out in writing and given to the Appropriate Director.
- (d) Where the disposal is to be made by public auction the auction shall be subject to a reserve price determined by the Valuer.

9. *Acceptance of Offers*

No offer other than the highest shall be accepted (subject to satisfactory references, conditions and approval of funding) unless the Relevant Decision Making Body has received an evaluation of the tenders received, where an appraisal of proposals contained in the tenders is a relevant consideration in accepting a tender.

10. *Contracting*

No contract for the Acquisition or Disposal of Land and Buildings shall be entered into unless in a form approved by the Assistant Director Legal Services.

11. *General*

The Relevant Decision Making Body must approve any application being made to the Secretary of State where the Secretary of State's approval to dispose of Land and Buildings is required.